

COMMODITY

Report

24 May 2018



SHRIRAM INSIGHT SHARE BROKERS LIMITED

Enquiry : +91 33 2359 4612, +91 33 2359 4614, +91 33 2358 1953,
E-mail : research@shriraminsight.com

EVERYTHING YOU
NEED TO KNOW
ABOUT THE COMMODITY



Enquiry : +91 33 2359 4612, +91 33 2359 4614, +91 33 2358 1953, E-mail : research@shriraminsight.com

ECONOMIC / GLOBAL NEWS

- U.S. benchmark crude oil futures fell, pressured by a surprise jump in weekly U.S. crude supplies. July West Texas Intermediate crude on the New York Mercantile Exchange fell 36 cents, or 0.5%, to settle at \$71.84 a barrel. The U.S. Energy Information Administration reported that crude supplies climbed by 5.8 million barrels for the week ended May 18. Gasoline stockpiles also rose by 1.9 million barrels for the week, while distillate stockpiles fell 1 million barrels. MCX Crude Oil June expiry closed at Rs. 4913 per barrel, down 0.32%.
- U.S. new home sales fell by 1.5% to an annual rate of 662,000 in April after jumping by 2% to a revised rate of 672,000 in March.
- U.S. Markit composite output index rose to 55.7 in May from 54.9 in April. The services PMI came in at 55.7 this month, up from 54.6 in April. The manufacturing PMI rose to 56.6 in May, compared to 56.5 a month earlier.
- U.K. consumer prices climbed 2.4% year-on-year in April, slightly slower than the 2.5% increase seen in March. Month-on-month, consumer prices gained 0.4% compared to the expected increase of 0.5%. Core inflation slowed to 2.1% from 2.3% a month ago.
- U.K. output price inflation held steady at 2.7% in April. Monthly increase in output prices also remained unchanged at 0.3%. Meanwhile, input price inflation rose to a four-month high of 5.3% in April from 4.4% in March. On a monthly basis, input prices climbed 0.4% after gaining 0.1%. Prices were expected to rise 1%.
- U.K. retail price index (RPI) increased by 3.4% on an annualized basis in April, compared to previous month's 3.3% rise. Month-on-month, RPI increased by 0.5% in April, RPI increased 0.1% in March. Core RPI increased at an annualized rate of 3.4% in April, matching the prior month's reading.
- U.K. house price index climbed 4.2% year-over-year in March, the same rate of rise as in February.
- U.K. retail sales grew at a moderate pace in May, a balance of 11% reported an increase in retail sales in May.
- Eurozone composite output index dropped to an 18-month low of 54.1 in May from 55.1 in April. The services PMI came in at 53.9, while the manufacturing PMI slid more-than-expected to 55.5 from 56.2 in April.
- Eurozone consumer confidence survey for May was 0.2, a decline from 0.3 in April.
- Germany's composite output index dropped to 53.1 in May from 54.6 in April. The services PMI fell to a 20-month low of 52.1 in May from 53.0 in the previous month. The manufacturing PMI came in at a 15-month low of 56.8 in May, down from 58.1 in April.
- France's flash composite output index fell more-than-expected to 54.5 in May from 56.9 in April. The services PMI slid to 54.3 from 57.4 a month ago. The manufacturing PMI rose unexpectedly to 55.1 in May from 53.8 a month ago.
- France's ILO jobless rate rose to 9.2% from revised 9% in the fourth quarter.

INDEX	23-MAY-18	22-MAY-18	PTS. CH.	% CHANGE
Dow	24885.91	24834.41	51.50	0.21
Nifty	10430.35	10536.70	-106.35	-1.01
Sensex	34344.91	34651.24	-306.33	-0.88
USD/INR	68.42	68.04	0.38	0.56
Dollar Index	93.91	93.51	0.40	0.43
Euro/\$1US	1.1709	1.1788	-0.0079	-0.67
\$1US/Yen	109.88	110.73	-0.85	-0.77
Pound/\$1US	1.3370	1.3441	-0.0071	-0.53

MARKET UPDATE

- U.S. stocks rallied in late trade to close higher, after the minutes from the Federal Reserve's May 2 meeting confirmed that policy makers support a June rate increase and are maintaining a calm attitude about the inflation outlook. The S&P 500 advanced 8.85 points, or 0.3%, to 2,733. Meanwhile the Nasdaq Composite Index advanced 47.50 points to 7,425.96, a gain of 0.6%.
- Indian market dropped sharply tracking weakness in global stocks. Global stocks fell as investors continued to assess potential trade tensions, the possible cancellation of a June summit with North Korea and a fall in commodity prices.

CURRENCY UPDATE

- A popular gauge that tracks the U.S. dollar climbed to its best level of the year, helped by a sell-off of major rivals, with the notable exception of safe-haven currencies. The ICE U.S. Dollar Index was up 0.4% to 94.018. The broader WSJ Dollar Index was up 0.1% to 87.21. Against the Japanese yen, the dollar dropped to ¥110.16, down from ¥110.90. The euro fell to \$1.1697, down from \$1.1780, hitting its lowest level since November, while the British pound slid to \$1.3353 from \$1.3432.
- The rupee plunged to a near 17-month low against the dollar to close at 68.42, with demand surging for the US currency from corporates amid a tangible lack of overseas interest in emerging-market assets. The rupee opened the day at 68.14 a dollar from its previous close of 68.04 and touched a low of 68.46 a dollar. The home currency ended at 68.42 against the US dollar-a level last seen on 29 November 2016, down 0.56% from its previous close of 68.04.

BULLION	CLOSING		% CH
	23-MAY-18	22-MAY-18	
Gold Jun MCX	31183	31108	0.24
Gold Jun Comex	1290	1292	-0.19
Silver Jul MCX	40274	40495	-0.55
Silver Jul Comex	16.405	16.575	-1.03
ENERGY			
Crude Oil Jun MCX	4913	4929	-0.32
Crude Jul Nymex	71.84	72.20	-0.50
Natural Gas Jun MCX	203.50	200.60	1.45
Nat. Gas Jul Henry Hub	2.955	2.936	0.65

NAME OF THE ETF	HOLDINGS IN TONNES AS ON		% CH
	23-MAY-18	22-MAY-18	
SPDR Gold ETF	852.04	852.04	0.00
iShares Silver Trust	9984.34	9984.34	0.00

NAME OF THE ETF	CLOSING		RATIO
	23-MAY-18		
Gold v/s Silver	1290	16.405	78.61
Gold v/s Crude Oil	1290	71.84	17.95

(IN TONS)	LME INVENTORIES DATA			% Change
	23-MAY-18	22-MAY-18	Change	
Aluminum	1231000	1232775	-1775	-0.14
Copper	298000	300175	-2175	-0.72
Nickel	297672	300126	-2454	-0.82
Lead	133300	133275	25	0.02
Zinc	230000	230775	-775	-0.34

BASE METALS	CLOSING		% CH
	23-MAY-18	22-MAY-18	
Aluminium May	155.15	154.05	0.71
Copper Jun	465.15	472.00	-1.45
Nickel May	996.00	1005.50	-0.94
Lead May	168.75	168.05	0.42
Zinc May	207.30	207.40	-0.05

ECONOMIC CALENDER

THURSDAY MAY 24, 2018

TIME	COUNTRY	EVENT	ACTUAL	FORECAST	PREVIOUS
11:30 AM	Germany	German GDP (YoY) (Q1)		1.6%	1.6%
11:30 AM	Germany	German GDP (QoQ) (Q1)		0.3%	0.3%
11:30 AM	Germany	GfK German Consumer Climate (Jun)		10.8	10.8
12:15 PM	France	French Business Survey (May)		108	109
2:00 PM	U.K.	Core Retail Sales (MoM) (Apr)		0.4%	-0.5%
2:00 PM	U.K.	Core Retail Sales (YoY) (Apr)		0.1%	1.1%
2:00 PM	U.K.	Retail Sales (MoM) (Apr)		0.8%	-1.2%
2:00 PM	U.K.	Retail Sales (YoY) (Apr)		0.1%	1.1%
6:00 PM	U.S.	Continuing Jobless Claims		1,754K	1,707K
6:00 PM	U.S.	Initial Jobless Claims		220K	222K
6:30 PM	U.S.	House Price Index (MoM) (Mar)		0.5%	0.6%
6:30 PM	U.S.	House Price Index (YoY) (Mar)			7.2%
7:30 PM	U.S.	Existing Home Sales (MoM) (Apr)		-0.2%	1.1%
7:30 PM	U.S.	Existing Home Sales (Apr)		5.56M	5.60M
8:00 PM	U.S.	Natural Gas Storage		92B	106B

DISCLAIMER

This document has been prepared by Shriram Insight Share Brokers Ltd. and is meant for sole use by the recipient and not for circulation. This document is not to be reported or copied or made available to others. The information contained herein is from sources believed reliable. It should not be considered to be taken as an offer to sell or a solicitation to buy any security or as an official confirmation of any transaction. We do not represent that it is accurate or complete and it should not be relied upon as such. This document is prepared for assistance only and is not intended to be and must not alone be taken as the basis for an investment decision. The investments discussed or recommended in this report may not be suitable for all investors. Shriram Insight Share Brokers Ltd stock Recommendation Service is a general recommendation service and is not to be construed as an individual investor specific Portfolio Management and Advisory Service.

The user assumes the entire risk of any use made of this information. Each recipient of this document should arrive at an independent evaluation of an investment in the securities of companies referred to in this document and should consult its own advisors to determine the merits and risks of such an investment.

Shriram Insight Share Brokers Ltd shall not be responsible for any loss or liability incurred to the user as a consequence of his or any other person on his behalf taking any investment decisions based on the information, recommendations, research reports, analysis, quotes, etc. provided on the web site

Shriram Insight Share Brokers Ltd and its affiliated company (ies), their directors and employees may;

- (a) from time to time, having a long or short position in, and buy or sell the securities of the company (ies) recommended.
- (b) be engaged in any other transaction involving such securities and act as a market maker in the securities of the company (ies) or lender / borrower to such company (ies) or may have any other potential conflict of interests with respect to any recommendation and other related information and opinions.

Shriram Insight Share Brokers Ltd shall also not be liable for errors, omissions or typographical errors, disruption delay, interruption, failure, deletion or defect of/in the Service provided by it. All Users of the Service in countries other than India understand that by using the Service, they may be violating the local laws in such countries. If the User chooses