

COMMODITY

Report

24 September 2018



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EVERYTHING YOU
NEED TO KNOW
ABOUT THE COMMODITY



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ECONOMIC / GLOBAL NEWS

- Copper prices enjoyed their best day in more than 18 months as concerns about the impact of trade tensions on the global economy continued to ease. MCX Copper November expiry closed at Rs. 458.15 per kg, up 4.40%.
- U.S. jobless claims edged down to 201,000 in the week ended September 15th, a decrease of 3,000 from the previous week's unrevised level of 204,000. Continuing claims number of people receiving ongoing unemployment assistance, also fell by 55,000 to 1.1645 million in the week ended September 8th.
- U.S. current account deficit narrowed by \$20.3 billion to \$101.5 billion, or 2.0% of national economic output, in the April-June period.
- U.S. IHS Markit's composite output index fell to 53.4 in September from 54.7 in August. The services PMI came in at 52.9 this month, down from 54.8 in August. However, the manufacturing PMI rose to 55.6 in September, compared to 54.7 a month earlier.
- U.S. existing home sales came in at an annual rate of 5.34 million in August, unchanged from July.
- U.S. housing starts spiked by 9.2% to an annual rate of 1.282 million in August from the revised July estimate of 1.174 million. Building permits tumbled by 5.7% to an annual rate of 1.229 million in August from a revised 1.303 million in July.
- U.S. Conference Board said its leading economic index rose by 0.4% in August after climbing by an upwardly revised 0.7% in July.
- U.K. consumer price inflation increased unexpectedly to 2.7% in August from 2.5% in July. Month-on-month, consumer prices climbed 0.7%. Core inflation rose to 2.1% from 1.9% in July.
- U.K. output price inflation slowed to 2.9% in August, in line with forecast from 3.1% a month ago. Compared to July, output prices gained 0.2%. Input price inflation slowed to 8.7% from 10.3% in July. The expected rate of increase was 9.1%. On a monthly basis, input prices rose 0.5% after staying flat in July.
- U.K. retail sales gained 0.3% month-on-month in August, slower than the 0.9% increase seen in July. Core retail sales advanced 0.3% after rising 1.1% a month ago. On a yearly basis, retail sales volume growth slowed to 3.3% from 3.8% in July. Similarly core retail sales climbed 3.5% after rising 4% in the previous month.
- Eurozone current account surplus fell to a seasonally adjusted EUR 21 billion in July from EUR 24 billion in June.
- Eurozone composite output index fell to 54.2 in September. The manufacturing PMI dropped to a 24-month low of 53.3 from 54.6 a month ago. Meanwhile, the services PMI rose to a three-month high of 54.7 in September.
- Eurozone flash consumer confidence index dropped to -2.9 in September from -1.9 in August.
- Germany's composite output index fell to 55.3 in September from a six-month high of 55.6 in August. The services PMI improved to 56.5 from 55.0 in August. Meanwhile, the factory PMI declined to a 25-month low of 53.7 from 55.9 in the previous month.
- France's gross domestic product advanced 0.2% sequentially in the second quarter, the same rate as seen in the first quarter
- France's composite output index came in at 53.6 in September, down from 54.9 in August. The manufacturing PMI fell to a three-month low of 52.5 from 53.5 in August. The services PMI declined to a four-month low of 54.3 from 55.4.
- Japan consumer prices were up 1.3% on year in August, up from 0.9% in July. Core consumer prices climbed 0.9% on year up from 0.3% in the previous month. On a seasonally adjusted monthly basis, overall inflation was up 0.5% and core CPI added 0.3%.
- Japan Nikkei manufacturing sector continued to expand in September, with a manufacturing PMI score of 52.9. That's up from 52.5 in August.

INDEX	21-SEP-18	20-SEP-18	PTS. CH.	% CHANGE
Dow	26743.50	26656.98	86.52	0.32
Nifty	11143.10	CLOSED	-	-
Sensex	36841.60	CLOSED	-	-
USD/INR	72.19	CLOSED	-	-
Dollar Index	93.80	93.49	0.31	0.33
Euro/\$1US	1.1750	1.1777	-0.0027	-0.23
\$1US/¥en	112.58	112.50	0.08	0.07
Pound/\$1US	1.3077	1.3267	-0.0190	-1.43

MARKET UPDATE

- The Dow Jones Industrial Average notched a second straight all-time high, but a slump in megacapitalization technology and internet-related stocks weighed on the broader market, pressuring the Nasdaq. The S&P 500 edged, lower, closing 1.27 points to 2,929.48, a rise of less than 0.1%. The Nasdaq Composite Index fell 41.28 points to 7,986.96, a decline of 0.5%.
- Indian market ended the volatile session lower, recouping most losses after key indices plunged over 3% in afternoon trade on panic-selling in housing finance and banks stocks.

CURRENCY UPDATE

The U.S. dollar strengthened in Friday trading but still looked set for its worst weekly performance in a month, while the British pound was pushed sharply lower after Prime Minister Theresa May spoke about the possibility of a "no deal" Brexit. The ICE U.S. Dollar Index was 0.4% stronger at 94.257. Sterling last fetched \$1.3076, down from \$1.3268. The euro was modestly lower at \$1.1743, compared with \$1.1779.

The rupee continued its bullish trend for the second day, rising 18 paise to end at 72.19 against the US dollar on sustained selling of the American currency even as local equities witnessed a high volatility. Extending its recovery momentum, the rupee opened with solid 53 paise gains at 71.84 against Tuesday's close of 72.37 at the inter-bank foreign exchange (forex) market on sustained dollar unwinding by exporters and banks. It strengthened to hit an intra-day high of 71.70 before giving away its strong gains largely reacting to stock market volatility. After drifting to a session low of 72.48, the local unit finally managed to pull back towards the tail-end trade and settled the day at 72.19, showing a gain of 18 paise, or 0.25%. The Financial Benchmarks India private limited fixed the reference rate for the dollar at 71.8489.

BULLION	CLOSING		% CH
	21-SEP-18	20-SEP-18	
Gold Oct MCX	30582	30599	-0.06
Gold Dec Comex	1201	1211	-0.83
Silver Dec MCX	37590	37259	0.89
Silver Dec Comex	14.359	14.305	0.38
ENERGY			
Crude Oil Oct MCX	5146	5063	1.64
Crude Nov Nymex	70.78	70.32	0.65
Natural Gas Oct MCX	215.60	213.90	0.79
Nat. Gas Oct Henry Hub	2.977	2.976	0.03

NAME OF THE ETF	HOLDINGS IN TONNES AS ON		% CH
	21-SEP-18	20-SEP-18	
SPDR Gold ETF	742.23	742.23	0.00
iShares Silver Trust	10471.46	10418.84	0.51

NAME OF THE ETF	CLOSING		RATIO
	21-SEP-18		
Gold v/s Silver	1201	14.359	83.66
Gold v/s Crude Oil	1201	70.78	16.97

(IN TONS)	LME INVENTORIES DATA			% Change
	21-SEP-18	20-SEP-18	Change	
Aluminum	1022450	1030200	-7750	-0.75
Copper	216600	215000	1600	0.74
Nickel	231024	232098	-1074	-0.46
Lead	117025	117175	-150	-0.13
Zinc	210100	211800	-1700	-0.80

BASE METALS	CLOSING		% CH
	21-SEP-18	20-SEP-18	
Aluminium Sep	149.05	145.80	2.23
Copper Nov	458.15	438.85	4.40
Nickel Sep	954.40	906.90	5.24
Lead Sep	147.75	143.90	2.68
Zinc Sep	182.30	176.75	3.14

ECONOMIC CALENDER

MONDAY SEPTEMBER 24 2018

TIME	COUNTRY	EVENT	ACTUAL	FORECAST	PREVIOUS
1:30 PM	Germany	German Business Expectations		100.2	101.2
1:30 PM	Germany	German Current Assessment		106.1	106.4
1:30 PM	Germany	German Ifo Business Climate Index		103.2	103.8
3:30 PM	U.K.	CBI Industrial Trends Orders (Sep)		5	7
6:00 PM	U.S.	Chicago Fed National Activity (Aug)		0.02	0.13
6:30 PM	Eurozone	ECB President Draghi Speaks			

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