

COMMODITY

Report

25 September 2018



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EVERYTHING YOU
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ABOUT THE COMMODITY



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ECONOMIC / GLOBAL NEWS

- Oil futures surged, with global benchmark crude prices scoring their highest settlement in nearly four years and U.S. benchmark crude finishing the session at a more than two-month high. November West Texas crude settled \$1.30, or 1.84%, higher at \$72.08 a barrel on the New York Mercantile Exchange. MCX Crude Oil October expiry closed at Rs. 5273 per barrel, up 2.47%.
- U.K. manufacturing orders deteriorated in September. The total order book balance fell to -1% in three months to September. The export order book balance stood at +5%.
- U.K. public sector net borrowing, excluding public sector banks, rose by GBP 2.4 billion from last year to GBP 6.8 billion in August.
- European Central Bank President Mario Draghi that the underlying inflation in the euro area is set to rise in coming months, and that there are signs of labor shortages in some countries in the single-currency union.
- Germany's business sentiment index fell to 103.7 in September from 103.9 in August. The current assessment indicator stood at 106.4 in September versus revised 106.5 a month ago. At the same time, the expectations index came in at 101.0 in September, down from 101.3.
- Spain's foreign trade deficit rose to EUR 3.25 billion in July from EUR 2.1 billion in the corresponding month last year. Exports climbed 9.8% year-over-year in July. Moreover, this was the highest annual growth for a month of July from 2011, to EUR 24.4 billion. Meanwhile, imports logged a double-digit growth of 13.6%, registering the highest annual growth for this month since 2010.
- Japan producer prices were up 1.3% on year in August, unchanged from the July reading. On a monthly basis, producer prices were unchanged after rising 0.1% in the previous month.
- Hong Kong's current account surplus fell to HK\$15.7 billion in the second quarter from HK\$19.1 billion in the same period last year. The surplus also decreased from HK\$16.6 billion in the first quarter.
- Singapore's consumer price inflation edged up to 0.7% in August, from 0.6% in July. On a month-on-month basis, overall consumer prices rose 0.4% in August, reversing the 0.1% decline in July.
- Finland's producer price inflation advanced 6.2% year-on-year in August, slightly faster than the 6.1% increase seen in July. Month-on-month, producer prices gained only 0.1% in August.

INDEX	24-SEP-18	21-SEP-18	PTS. CH.	% CHANGE
Dow	26562.05	26743.50	-181.45	-0.68
Nifty	10967.40	11143.10	-175.70	-1.58
Sensex	36305.02	36841.60	-536.58	-1.46
USD/INR	72.63	72.19	0.44	0.61
Dollar Index	93.78	93.49	0.29	0.31
Euro/\$1US	1.1753	1.1750	0.0003	0.03
\$1US/¥en	112.78	112.58	0.20	0.18
Pound/\$1US	1.3116	1.3077	0.0039	0.30

MARKET UPDATE

- U.S. stocks closed mostly lower as the U.S.-China trade war entered a new phase when tariffs on billions of dollars of products took effect. Investors were also looking ahead to the Federal Reserve's two-day monetary policy meeting, which wraps Wednesday and is likely to result in another interest-rate hike. The S&P 500 lost 10.31 points, or 0.4%, to 2,919.37. The Nasdaq Composite Index reversed earlier loss to rise 6.29 points to 7,993.25.
- Indian market extended losses to a fifth session amid weak global cues. Global shares declined following renewed uncertainty over US-China trade relations.

CURRENCY UPDATE

A slide in the U.S. dollar and a rally by its main rival, the euro, moderated toward the end of the New York trading session, and investors returned to focusing on this week's Federal Reserve meeting, which is widely expected to deliver a rate increase. The euro jumped to a session high of \$1.1816. The shared eurozone currency then receded and last changed hands at \$1.1759, compared with \$1.1749. The ICE U.S. Dollar Index added on to last week's 0.7% loss and was last little change in negative territory at 94.188. Sterling last bought \$1.3118, compared with \$1.3080.

The rupee struggled to make headway after a two-day climb and backtracked to end sharply lower by 44 paise to 72.63 against the US dollar after crude prices soared ahead of impending US sanctions on Iran. Reversing its recovery momentum, the rupee opened lower at 72.47 from weekend close of 72.19 at the inter-bank foreign exchange (forex) market. Keeping the downtrend intact, the local unit lost further ground to hit a session low of 72.73 in mid-afternoon session before concluding the day at 72.63, revealing a steep loss of 44 paise, or 0.61%. The Financial Benchmarks India private limited fixed the reference rate for the dollar at 72.6927.

BULLION	CLOSING		% CH
	24-SEP-18	21-SEP-18	
Gold Dec MCX	31130	30815	1.02
Gold Dec Comex	1204	1201	0.26
Silver Dec MCX	37867	37590	0.74
Silver Dec Comex	14,341	14,359	-0.13
ENERGY			
Crude Oil Oct MCX	5273	5146	2.47
Crude Nov Nymex	72.08	70.78	1.84
Natural Gas Oct MCX	221.50	215.60	2.74
Nat. Gas Nov Henry Hub	3.029	2.974	1.85

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

NAME OF THE ETF	CLOSING		RATIO
	24-SEP-18		
Gold v/s Silver	1204	14,341	83.98
Gold v/s Crude Oil	1204	72.08	16.71

(IN TONS)	LME INVENTORIES DATA			% Change
	24-SEP-18	21-SEP-18	Change	
Aluminum	1013050	1022450	-9400	-0.92
Copper	214350	216600	-2250	-1.04
Nickel	229722	231024	-1302	-0.56
Lead	116600	117025	-425	-0.36
Zinc	206375	210100	-3725	-1.77

BASE METALS	CLOSING		% CH
	24-SEP-18	21-SEP-18	
Aluminium Oct	149.10	150.70	-1.06
Copper Nov	459.10	458.15	0.21
Nickel Oct	935.10	959.50	-2.54
Lead Oct	148.25	148.40	-0.10
Zinc Oct	185.00	183.40	0.87

ECONOMIC CALENDER

TUESDAY SEPTEMBER 25 2018

TIME	COUNTRY	EVENT	ACTUAL	FORECAST	PREVIOUS
5:20 AM	Japan	Monetary Policy Meeting Minutes			
11:30 AM	Germany	German WPI (YoY) (Aug)			3.5%
11:30 AM	Germany	German WPI (MoM) (Aug)		0.2%	0.0%
12:15 PM	France	French Business Survey (Sep)		109	110
6:30 PM	U.S.	House Price Index (YoY) (Jul)			6.5%
6:30 PM	U.S.	House Price Index (MoM) (Jul)		0.2%	0.2%
7:30 PM	U.S.	CB Consumer Confidence (Sep)		132.2	133.4