

COMMODITY

Report

27 July 2018



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EVERYTHING YOU
NEED TO KNOW
ABOUT THE COMMODITY



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ECONOMIC / GLOBAL NEWS

- Gold futures settled lower, continuing the choppy, mostly dollar-driven trading that has kept the precious metal pinned near its 2018 low. Gold for August delivery on Comex fell \$6.10, or 0.5%, to finish at \$1,225.70 an ounce. MCX Gold October expiry closed at Rs. 29984 per 10 gram, down 0.51%.
- China's industrial profit surged 20.0% year-over-year in May, slower than the 21.1% increase in April.
- U.S. initial jobless claims rose to 217,000 in the week ended July 21st, an increase of 9,000 from the previous week's revised level of 208,000. Continuing claims fell by 8,000 to 1.745 million in the week ended July 14th.
- U.S. durable goods orders jumped by 1.0% in June after falling by a revised 0.3% in May. Core durable goods orders rose by 0.4% in June after rising by 0.3% in the previous month.
- U.S. goods trade deficit shot up 5.5 percent in June to \$68.3 billion. Goods exports dropped 1.5 percent to \$141.9 billion last month while imports of goods rose by \$1.3 billion to \$210.3 billion.
- The Energy Information Administration said Natural Gas storage rose by 24 billion cubic feet in the week ended July 20 to 2.273 billion cubic feet.
- European Central Bank left its interest rates unchanged and maintained the forward guidance on monetary stimulus, following the Governing Council's June decision to halve the monthly asset purchases after September, and to eventually end them in December. The main refi rate is currently at a record low 0% and the deposit rate at -0.40%. The marginal lending facility rate is 0.25%. The Governing Council will continue to make net purchases under the asset purchase programme (APP) at the current monthly pace of EUR 30 billion until the end of September 2018.
- Germany's GfK forward-looking consumer sentiment index fell to 10.6 in August from 10.7 in July.
- French consumer sentiment index held steady at 97 in July.
- Australia's producer prices climbed 0.3% sequentially in the second quarter, following a 0.5% rise in the first quarter. On a yearly basis, producer prices grew 1.5% in the June quarter, after a 1.7% increase in the preceding quarter.

| INDEX | 26-JULY-18 | 25-JULY-18 | PTS. CH. | % CHANGE |
|---------------------|------------|------------|----------------|--------------|
| Dow | 25528.39 | 25414.10 | 114.29 | 0.45 |
| Nifty | 11167.30 | 11132.00 | 35.30 | 0.32 |
| Sensex | 36984.64 | 36858.23 | 126.41 | 0.34 |
| USD/INR | 68.66 | 68.78 | -0.12 | -0.17 |
| Dollar Index | 94.57 | 94.13 | 0.44 | 0.47 |
| Euro/\$1US | 1.1644 | 1.1728 | -0.0084 | -0.72 |
| \$1US/¥en | 111.16 | 110.97 | 0.19 | 0.17 |
| Pound/\$1US | 1.3109 | 1.3189 | -0.0080 | -0.61 |

MARKET UPDATE

- U.S. stocks closed mostly lower, weighed down by sharp losses in technology shares as Facebook posted its biggest one-day drop ever following disappointing quarterly results. The benchmark S&P 500 fell 8.63 points, or 0.3%, to 2,837.44. The Nasdaq Composite Index sank 80.05 points to 7,852.18.
- Indian market logged modest gains in volatile session of trade. Better-than-expected June 2018 quarterly results from index pivotals boosted sentiment on the domestic bourses.

CURRENCY UPDATE

The euro sold off, making it one of the worst performing G-10 currencies on the day, following the European Central Bank's latest policy update. The euro extended its losses to \$1.1647 from \$1.1729. The euro's main rival, the U.S. dollar flipped into positive territory on Thursday. The ICE U.S. Dollar Index gained 0.4% to 94.740. The British pound last buying \$1.3110, down from \$1.3191.

The rupee rose by 12 paise to close at a fresh one-week high of 68.66 against the US dollar as steady unwinding of the greenback by exporters and banks helped the local unit to extend gains for the second day. The rupee resumed higher at 68.71 from previous close of 68.78 at the Interbank Foreign Exchange (forex) market and extended the positive momentum through the Asian session to hit a session high of 68.62. But, the Indian rupee came off the days high against the dollar in late afternoon trade on bouts of dollar demand and settled the day at 68.66, revealing a gain of 12 paise, or 0.17%. The Financial Benchmarks India private limited (FBIL) fixed the reference rate for the dollar at 68.7017.

| BULLION | CLOSING | | % CH |
|-------------------------------|------------|------------|--------------|
| | 26-JULY-18 | 25-JULY-18 | |
| Gold Oct MCX | 29984 | 30137 | -0.51 |
| Gold Aug Comex | 1226 | 1232 | -0.50 |
| Silver Sep MCX | 38275 | 38559 | -0.74 |
| Silver Sep Comex | 15.495 | 15.589 | -0.60 |
| ENERGY | | | |
| Crude Oil Aug MCX | 4800 | 4778 | 0.46 |
| Crude Sep Nymex | 69.61 | 69.30 | 0.45 |
| Natural Gas Aug MCX | 190.50 | 190.00 | 0.26 |
| Nat. Gas Sep Henry Hub | 2.762 | 2.755 | 0.25 |

| NAME OF THE ETF | HOLDINGS IN TONNES AS ON | | % CH |
|-----------------------------|--------------------------|------------|-------------|
| | 26-JULY-18 | 25-JULY-18 | |
| SPDR Gold ETF | 800.20 | 800.20 | 0.00 |
| iShares Silver Trust | 10246.51 | 10211.41 | 0.34 |

| NAME OF THE ETF | CLOSING | | RATIO |
|---------------------------|------------|--------|--------------|
| | 26-JULY-18 | | |
| Gold v/s Silver | 1226 | 15.495 | 79.10 |
| Gold v/s Crude Oil | 1226 | 69.61 | 17.61 |

| (IN TONS) | LME INVENTORIES DATA | | | % Change |
|-----------------|----------------------|------------|--------------|--------------|
| | 26-JULY-18 | 25-JULY-18 | Change | |
| Aluminum | 1207600 | 1209225 | -1625 | -0.13 |
| Copper | 251950 | 252400 | -450 | -0.18 |
| Nickel | 259332 | 260400 | -1068 | -0.41 |
| Lead | 127375 | 127600 | -225 | -0.18 |
| Zinc | 245725 | 247450 | -1725 | -0.70 |

| BASE METALS | CLOSING | | % CH |
|----------------------|------------|------------|--------------|
| | 26-JULY-18 | 25-JULY-18 | |
| Aluminium Aug | 141.95 | 141.60 | 0.25 |
| Copper Aug | 428.90 | 430.10 | -0.28 |
| Nickel Aug | 946.80 | 940.90 | 0.63 |
| Lead Aug | 148.90 | 148.05 | 0.57 |
| Zinc Aug | 179.50 | 179.35 | 0.08 |

ECONOMIC CALENDER

FRIDAY JULY 27, 2018

| TIME | COUNTRY | EVENT | ACTUAL | FORECAST | PREVIOUS |
|----------|-----------|--|-------------|----------|----------|
| 7:00 AM | Australia | PPI (YoY) (Q2) | 1.5% | | 1.7% |
| 7:00 AM | Australia | PPI (QoQ) (Q2) | 0.3% | 0.4% | 0.5% |
| 11:00 AM | France | French GDP (QoQ) (Q2) | | 0.3% | 0.2% |
| 11:30 AM | U.K. | Nationwide HPI (YoY) | | | 2.0% |
| 11:30 AM | U.K. | Nationwide HPI (MoM) | | | 0.5% |
| 11:30 AM | Germany | German Import Price Index (MoM) (Jun) | | 0.2% | 1.6% |
| 11:30 AM | Germany | German Import Price Index (YoY) (Jun) | | 4.4% | 3.2% |
| 12:15 PM | Eurozone | French Consumer Spending (MoM) (Jun) | | 0.6% | 0.9% |
| 5:00 PM | India | FX Reserves, USD | | | 405.81B |
| 6:00 PM | U.S. | GDP (QoQ) (Q2) | | 4.1% | 2.0% |
| 7:30 PM | U.S. | Michigan Consumer Sentiment (Jul) | | 97.3 | 97.1 |

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