

COMMODITY

Report

28 June 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

- Oil prices rallied, with the U.S. benchmark settling at its highest since 2014 as domestic crude supplies notched their biggest weekly drop of the year so far. On the New York Mercantile Exchange, August West Texas Intermediate crude tacked on \$2.23, or 3.16%, to settle at \$72.76 a barrel. The U.S. Energy Information Administration reported that crude supplies declined by 9.9 million barrels for the week ended June 22. Gasoline stockpiles rose by 1.2 million barrels for the week, while distillate stockpiles were unchanged for the week, according to the EIA. MCX Crude Oil July expiry closed at Rs. 5028 per barrel, up 4.42%.
- U.S. durable goods orders fell by 0.6% in May after tumbling by a revised 1.0% in April. Core durable goods orders dipped by 0.3% in May after spiking by 1.9% in April.
- U.S. pending home sales index fell by 0.5% to 105.9 in May after slumping by 1.3% to 106.4 in April.
- U.S. goods trade deficit declined 3.7% to \$64.8 billion in May.
- U.S. wholesale inventories increased 0.5% in May and stocks at retailers gained 0.4%.
- U.K. house prices grew 2% year-on-year in June, following May's 2.4% increase. On a monthly basis, house prices rebounded 0.5% after falling 0.2% in May.
- Eurozone adjusted loans to the private sector grew 3.3% year-on-year in May, following April's 3% increase. Among sectors, loans to households climbed at a steady pace of 2.9%.
- France's consumer confidence index dropped to 97 in June from 99 in May, which was revised down from 100.
- Italy's consumer confidence index climbed to 116.2 in June from May's 9-month low of 113.9, which was revised up from 113.7. The composite business confidence index rose to 105.4 in June from 104.6 in May.
- Japan's retail sales decreased 1.7% month-on-month in May, reversing a 1.3% rise in April. On a yearly basis, retail sales growth eased to 0.6% to 1.5% in the previous month.

INDEX	27-JUNE-18	26-JUNE-18	PTS. CH.	% CHANGE
Dow	24120.78	24283.11	-162.33	-0.67
Nifty	10671.40	10769.15	-97.75	-0.91
Sensex	35217.11	35490.04	-272.93	-0.77
USD/INR	68.61	68.24	0.37	0.53
Dollar Index	95.02	94.36	0.66	0.70
Euro/\$1US	1.1563	1.1650	-0.0087	-0.75
\$1US/¥en	110.22	110.12	0.10	0.09
Pound/\$1US	1.3119	1.3220	-0.0101	-0.76

MARKET UPDATE

- U.S. stocks closed solidly lower, with the losses driven by a pronounced drop in large-capitalization technology and internet stocks, while the S&P 500 closed below a closely watched technical level, which could be a sign that the recent weakness in stocks isn't over yet. The S&P 500 index lost 23.43 points to 2,699.63, a decline of 0.9%. The Nasdaq Composite Index sank 1.5%, or 116.54 points, to 7,445.08.
- Indian market declined sharply tracking weakness in other Asian stocks. Domestic stocks were weighed down by escalating global trade tension between the world's biggest economic powers.

CURRENCY UPDATE

- The U.S. dollar rallied across the board, heading for its strongest quarter since late 2016. The haven Japanese yen gave back its gains against the buck, and the dollar last bought ¥110.27, up from ¥110.04. The ICE U.S. Dollar Index was last 0.7% higher at 95.349. The broader WSJ Dollar Index was up 0.6% at 88.54.
- The embattled rupee plunged by 37 paise or 0.53% to settle at a 19-month low of 68.61 against the US dollar as growing crude oil prices fanned fears of a widening current account deficit and a spike in inflation. This is the lowest closing for home currency since November 24, 2016, when it had settled at 68.73. The Indian unit caved in to a fresh intra-day low of 68.68 against the dollar in afternoon deals, prompting the central bank to intervene. The RBI fixed the reference rate for the dollar at 68.5246.

BULLION	CLOSING		% CH
	27-JUNE-18	26-JUNE-18	
Gold Aug MCX	30695	30554	0.46
Gold Aug Comex	1256	1260	-0.30
Silver Sep MCX	40331	40296	0.09
Silver Jul Comex	16.151	16.250	-0.61
ENERGY			
Crude Oil Jul MCX	5028	4815	4.42
Crude Aug Nymex	72.76	70.53	3.16
Natural Gas Jul MCX	205.60	200.40	2.59
Nat. Gas Aug Henry Hub	2.981	2.931	1.71

NAME OF THE ETF	HOLDINGS IN TONNES AS ON		% CH
	27-JUNE-18	26-JUNE-18	
SPDR Gold ETF	821.69	824.63	-0.36
iShares Silver Trust	9933.22	9933.22	0.00

NAME OF THE ETF	CLOSING		RATIO
	27-JUNE-18		
Gold v/s Silver	1256	16.151	77.77
Gold v/s Crude Oil	1256	72.76	17.26

(IN TONS)	LME INVENTORIES DATA			% Change
	27-JUNE-18	26-JUNE-18	Change	
Aluminum	1117475	1122425	-4950	-0.44
Copper	298775	303100	-4325	-1.43
Nickel	272982	274176	-1194	-0.44
Lead	131800	132050	-250	-0.19
Zinc	249350	249400	-50	-0.02

BASE METALS	CLOSING		% CH
	27-JUNE-18	26-JUNE-18	
Aluminium Jul	149.85	150.05	-0.13
Copper Aug	459.85	458.25	0.35
Nickel Jul	1023.90	1018.00	0.58
Lead Jul	168.10	165.70	1.45
Zinc Jul	200.30	196.70	1.83

ECONOMIC CALENDER

THURSDAY JUNE 28, 2018

TIME	COUNTRY	EVENT	ACTUAL	FORECAST	PREVIOUS
5:20 AM	Japan	Retail Sales (YoY) (May)	0.6%	1.3%	1.5%
11:30 AM	Germany	GfK German Consumer Climate (Jul)		10.6	10.7
2:30 PM	Eurozone	Business and Consumer Survey (Jun)		112.0	112.5
2:30 PM	Eurozone	Consumer Confidence (Jun)		-0.5	0.2
5:30 PM	Germany	German CPI (YoY) (Jun)		2.1%	2.2%
5:30 PM	Germany	German CPI (MoM) (Jun)		0.2%	0.5%
6:00 PM	U.S.	Continuing Jobless Claims		1,725K	1,723K
6:00 PM	U.S.	GDP (QoQ) (Q1)		2.2%	2.2%
6:00 PM	U.S.	Initial Jobless Claims		220K	218K
8:00 PM	U.S.	Natural Gas Storage		71B	91B

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