

# COMMODITY

## Report

28 August 2018



**SHRIRAM INSIGHT SHARE BROKERS LIMITED**

Enquiry : +91 33 2359 4612, +91 33 2359 4614, +91 33 2358 1953,  
E-mail : [research@shriraminsight.com](mailto: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](mailto:research@shriraminsight.com)

## ECONOMIC / GLOBAL NEWS

- Natural gas prices tumbled despite news of warmer than normal weather which is expected to cover most of the United States for the next 8-14 days, which should drive up cooling demand. October natural gas was off 1.51% or 44 cents to settle at \$2.869 per million British thermal units. MCX Natural Gas September expiry closed at Rs. 201.90 per British thermal unit, down 1.27%.
- China should strengthen its fiscal and financial measures to encourage investment, the investment in intended projects grew at a slower pace of 3.1% during January to July period. According to NDRC monitoring report, investment value of infrastructure projects plunged 35.2%, while it grew 12.4% in manufacturing during January to July period.
- Germany's Ifo business confidence index rose more-than-expected to 103.8 in August from 101.7 in July. The current conditions index climbed to 106.4 compared to the forecast of 105.3. At the same time, the expectations index came in at 101.2 versus forecast of 98.4.
- South Korea's consumer sentiment index dropped to 99.2 in August from 101.0 in July.
- Hong Kong's trade deficit rose to HK\$47.1 billion in July from HK\$29.6 billion in the corresponding month last year. However, the shortfall narrowed from HK\$54.1 billion in June. The value of exports registered a double-digit growth of 10.0% year-over-year in July. Concurrently, imports surged by 14.0% in July from a year earlier.
- Malta's producer price inflation climbed 3.87% year-over-year in July, slower than the 6.42% rise in June. On a monthly basis, producer prices decreased 0.60% from June, when it rose by 0.44%.

INDEX	27-AUG-18	24-AUG-18	PTS. CH.	% CHANGE
<b>Dow</b>	26049.64	25790.35	<b>259.29</b>	<b>1.01</b>
<b>Nifty</b>	11691.95	11557.10	<b>134.85</b>	<b>1.17</b>
<b>Sensex</b>	38694.11	38251.80	<b>442.31</b>	<b>1.16</b>
<b>USD/INR</b>	70.15	69.90	<b>0.25</b>	<b>0.36</b>
<b>Dollar Index</b>	94.67	95.06	<b>-0.39</b>	<b>-0.41</b>
<b>Euro/\$1US</b>	1.1684	1.1623	<b>0.0061</b>	<b>0.52</b>
<b>\$1US/¥en</b>	111.13	111.23	<b>-0.10</b>	<b>-0.09</b>
<b>Pound/\$1US</b>	1.2898	1.2845	<b>0.0053</b>	<b>0.41</b>

## MARKET UPDATE

- U.S. stocks gained, with the S&P 500 and the Nasdaq closing at records for a second straight session, as the market rallied on enthusiasm over a new trade deal between the U.S. and Mexico. The S&P 500 index gained 22.05 points, or 0.8%, to 2,896.74. The Nasdaq Composite Index rose 71.92 points, or 0.9%, to 8,017.90.
- Indian market surged to close at fresh record highs, with firm cues from global markets, falling inflation expectations and hopes for robust corporate earnings

## CURRENCY UPDATE

The U.S. currency saw weakness versus major rivals and fell versus the Mexican peso as President Donald Trump announced an agreement with Mexico to clear up issues that had stood in the way of a renegotiation of the North American Free Trade Agreement. Meanwhile, the ICE U.S. Dollar Index slipped around 0.4% to 94.765. The WSJ Dollar Index fell 0.3% to 89.08. The euro rallied versus the dollar, with the shared currency buying \$1.1681, compared with \$1.1622. Sterling traded at \$1.2897, versus \$1.2844.

The Indian rupee retreated sharply to hit a record closing low of 70.15 against the US dollar, plunging by 25 paise despite a huge rally in equities amid easing worries over near-term monetary policy tightening by the US Fed. Extending its recovery momentum, the rupee today opened higher at 69.75 from weekend close of 69.90 at the inter-bank foreign exchange (forex) market. It gained further ground to hit a session high of 69.65 in early trade due to sustained dollar unwinding and tracking a rally in most Asian peers. However, the rally did not last, with the rupee succumbing to heavy dollar pressure, taking a sharp reversal in afternoon deals to hit a low of 70.20 before ending at a new closing low of 70.15, showing a loss of 25 paise, or 0.36%. The Financial Benchmarks India private limited fixed the reference rate for the dollar at 70.0366.

BULLION	CLOSING		% CH
	27-AUG-18	24-AUG-18	
<b>Gold Oct MCX</b>	30002	29903	<b>0.33</b>
<b>Gold Dec Comex</b>	1216	1213	<b>0.22</b>
<b>Silver Dec MCX</b>	37973	37823	<b>0.40</b>
<b>Silver Sep Comex</b>	14.859	14.794	<b>0.44</b>
<b>Crude Oil Sep MCX</b>	4826	4804	<b>0.46</b>
<b>Crude Oct Nymex</b>	68.87	68.72	<b>0.22</b>
<b>Natural Gas sep MCX</b>	201.90	205	<b>-1.27</b>
<b>Nat. Gas Oct Henry Hub</b>	2.869	2.913	<b>-1.51</b>

NAME OF THE ETF	HOLDINGS IN TONNES AS ON		% CH
	27-AUG-18	24-AUG-18	
<b>SPDR Gold ETF</b>	764.58	764.58	<b>0.00</b>
<b>iShares Silver Trust</b>	10236.28	10236.28	<b>0.00</b>

NAME OF THE ETF	CLOSING		RATIO
	27-AUG-18		
<b>Gold v/s Silver</b>	1216	14.859	<b>81.84</b>
<b>Gold v/s Crude Oil</b>	1216	68.87	<b>17.66</b>

(IN TONS)	LME INVENTORIES DATA			% Change
	24-AUG-18	23-AUG-18	Change	
<b>Aluminum</b>	1095125	1099975	<b>-4850</b>	<b>-0.44</b>
<b>Copper</b>	267075	266950	<b>125</b>	<b>0.05</b>
<b>Nickel</b>	242604	243552	<b>-948</b>	<b>-0.39</b>
<b>Lead</b>	126725	126550	<b>175</b>	<b>0.14</b>
<b>Zinc</b>	247400	248575	<b>-1175</b>	<b>-0.47</b>

BASE METALS	CLOSING		% CH
	27-AUG-18	24-AUG-18	
<b>Aluminium Sep</b>	145.80	145.65	<b>0.10</b>
<b>Copper Nov</b>	426.10	423.70	<b>0.57</b>
<b>Nickel Sep</b>	936.70	938.80	<b>-0.22</b>
<b>Lead Sep</b>	146.15	145.55	<b>0.41</b>
<b>Zinc Sep</b>	178.40	178.15	<b>0.14</b>

## ECONOMIC CALENDER

TUESDAY AUGUST 28, 2018

TIME	COUNTRY	EVENT	ACTUAL	FORECAST	PREVIOUS
10:30 AM	Japan	<b>BoJ Core CPI (YoY)</b>		0.3%	0.4%
12:15 PM	France	<b>French Consumer Confidence (Aug)</b>		97	97
1:30 PM	Eurozone	<b>M3 Money Supply (YoY) (Jul)</b>		4.3%	4.4%
1:30 PM	Eurozone	<b>Private Sector Loans (YoY)</b>		3.0%	2.9%
6:00 PM	U.S.	<b>Goods Trade Balance (Jul)</b>		-68.60B	-67.92B
6:00 PM	U.S.	<b>Wholesale Inventories (MoM)</b>		0.1%	0.1%
7:30 PM	U.S.	<b>CB Consumer Confidence (Aug)</b>		126.8	127.4

## 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