

COMMODITY

Report

28 September 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



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ECONOMIC / GLOBAL NEWS

- Natural gas rallied significantly during the trading session, reaching towards the highs again as the inventory numbers came out very supportive. The U.S. Energy Information Administration reported that domestic supplies of natural gas rose by 46 billion cubic feet for the week ended Sept. 21. Total stocks now stand at 2.768 trillion cubic feet, down 690 billion cubic feet from a year ago, and 621 billion below the five-year average, the government said. Nymex, natural-gas prices rallied, with the November contract up 7.6 cents, or about 2.6%, to \$3.056 per million British thermal units. MCX Natural Gas October expiry closed at Rs. 224.30 per British thermal unit, up 2.61%.
- China's industrial profits climbed 9.2% year-on-year in August, which was much weaker than the 16.2% increase seen in July.
- U.S. initial jobless claims rose to 214,000 in the week ended September 22nd, an increase of 12,000 from the previous week's revised level of 202,000. Continuing claims, a reading on the number of people receiving ongoing unemployment assistance, also rose by 16,000 to 1.661 million in the week ended September 15th.
- U.S. gross domestic product increased at an annual rate of 4.2% in the second quarter, unchanged from the estimate released last month.
- U.S. durable goods orders surged up by 4.5% in August after falling by a revised 1.2% in July. Core durable goods orders inched up by just 0.1% in August after rising by 0.2% in July.
- U.S. pending home sales index tumbled by 1.8% to 104.2 in August after falling to 106.1 in July.
- U.K. GfK consumer sentiment index dropped to -9 in September from -7 in August.
- Eurozone economic sentiment index dropped to 110.9 in September from 111.6 in August. Similarly, the consumer sentiment index declined to -2.9, from -1.9 a month ago.
- Eurozone broad monetary aggregate climbed 3.5% year-on-year in August, slower than the 4% increase seen in July. The annual growth rate of adjusted loans to households came in at 3.1% compared with 3% in July.
- Germany's consumer price inflation rose 2.3% year-on-year in September following a 2% increase, each in July and August. Compared to the previous month, the CPI rose 0.4%.
- German GfK forward-looking consumer sentiment index rose 0.1 points to 10.6 in September. The economic expectations index climbed 4.9 to 27.1 in September.
- Italy's producer price inflation climbed 4.4% year-over-year in August, slightly faster than the 4.3% increase in July. On a monthly basis, producer prices rose at a slower rate of 0.4% in August, following a 1.4% rise in the preceding month.
- Italy's consumer confidence index climbed to 116.0 in September from 115.3 in August.
- Japan's jobless rate came in at a seasonally adjusted 2.4% in August, unchanged from the previous month.
- Japan's industrial production climbed a seasonally adjusted 0.7% on month in August, following the 0.1% decline in July. On a yearly basis, industrial production added 0.6% - down sharply from 2.2% in the previous month.
- Japan's retail sales were up a seasonally adjusted 0.9% on month in August, was up from 0.1% in July. On a yearly basis, retail sales jumped 2.7% - up from 1.5% in the previous month.

INDEX	26-SEP-18	25-SEP-18	PTS. CH.	% CHANGE
Dow	26439.93	26392.13	47.80	0.18
Nifty	10977.55	11053.80	-76.25	-0.69
Sensex	36324.17	36542.27	-218.10	-0.60
USD/INR	72.59	72.61	-0.02	-0.02
Dollar Index	94.52	93.77	0.75	0.80
Euro/\$1US	1.1636	1.1740	-0.0104	-0.89
\$1US/¥en	113.40	112.73	0.67	0.59
Pound/\$1US	1.3076	1.3170	-0.0094	-0.71

MARKET UPDATE

- U.S. stocks closed higher, with the S&P 500 and the Dow Jones Industrial Average snapping a multiday losing streak, as solid data bolstered confidence in the economy a day after the Federal Reserve raised interest rates for the third time this year. The S&P 500 climbed 8.03 points, or 0.3%, to 2,914 and the Nasdaq Composite Index advanced 51.60 points, or 0.7%, to 8,041.97.
- Indian market tumbled as the sentiment remained cautious after the government raised import tariffs on select goods and the central bank announced measures to ease liquidity concerns.

CURRENCY UPDATE

The U.S. dollar climbed, while euro traders fretted about renewed woes surrounding Italy's budget proposal. The ICE U.S. Dollar Index up 0.7% at 94.876. Meanwhile, the euro was weaker, slipping to \$1.1661 versus \$1.1742.

The rupee ended almost flat at 72.59 to the US dollar after initial strong gains were erased by fag-end dollar demand from importers despite government measures to stem currency volatility. The domestic currency hovered between a high of 72.38 and 72.78. The domestic currency got off to a strong start at 72.42 compared to Wednesday's close of 72.61 at the inter-bank foreign exchange market (forex) here. It gained ground to hit a session high of 72.38 in mid-morning deals, but was unable to hold on and relinquished all those gains touching a low of 72.78 in late afternoon trade due to heavy month-end dollar demand. However, the local unit managed to recoup all losses and finally settled the day at 72.59, a gain of 2 paise. The Financial Benchmarks India private limited fixed the reference rate for the dollar at 72.6505.

BULLION	CLOSING		% CH
	27-SEP-18	26-SEP-18	
Gold Dec MCX	30619	30905	-0.93
Gold Dec Comex	1187	1199	-0.98
Silver Dec MCX	37599	37866	-0.71
Silver Dec Comex	14.290	14.401	-0.77
ENERGY			
Crude Oil Oct MCX	5239	5212	0.52
Crude Nov Nymex	72.12	71.57	0.77
Natural Gas Oct MCX	224.30	218.60	2.61
Nat. Gas Nov Henry Hub	3.056	2.980	2.55

NAME OF THE ETF	HOLDINGS IN TONNES AS ON		% CH
	27-SEP-18	26-SEP-18	
SPDR Gold ETF	742.23	742.23	0.00
iShares Silver Trust	10358.91	10374.99	-0.15

NAME OF THE ETF	CLOSING		RATIO
	27-SEP-18		
Gold v/s Silver	1187	14.290	83.09
Gold v/s Crude Oil	1187	72.12	16.46

(IN TONS)	LME INVENTORIES DATA			% Change
	27-SEP-18	26-SEP-18	Change	
Aluminum	994625	999925	-5300	-0.53
Copper	209900	210900	-1000	-0.47
Nickel	228870	229152	-282	-0.12
Lead	116300	116225	75	0.06
Zinc	203650	199200	4450	2.23

BASE METALS	CLOSING		% CH
	27-SEP-18	26-SEP-18	
Aluminium Oct	147.80	149.60	-1.20
Copper Nov	448.35	456.60	-1.81
Nickel Oct	913.00	930.50	-1.88
Lead Oct	145.75	145.30	0.31
Zinc Oct	184.55	186.40	-0.99

ECONOMIC CALENDER

FRIDAY SEPTEMBER 28 2018

TIME	COUNTRY	EVENT	ACTUAL	FORECAST	PREVIOUS
4:31 AM	U.K.	GfK Consumer Confidence (Sep)	-9	-8	-7
5:00 AM	Japan	Unemployment Rate (Aug)	2.4%	2.5%	2.5%
5:20 AM	Japan	Industrial Production (MoM) (Aug)	0.7%	1.5%	-0.2%
5:20 AM	Japan	Retail Sales (YoY) (Aug)	2.7%	2.2%	1.5%
7:15 AM	China	Caixin Manufacturing PMI (Sep)		50.5	50.6
Tentative	U.K.	Nationwide HPI (MoM)		0.2%	-0.5%
11:30 AM	U.K.	Nationwide HPI (YoY)		1.9%	2.0%
11:30 AM	Eurozone	German Retail Sales (MoM) (Aug)			-0.4%
11:30 AM	Eurozone	German WPI (YoY) (Aug)			3.5%
12:15 PM	Eurozone	French Consumer Spending (MoM) (Aug)		0.3%	0.1%
12:15 PM	Eurozone	French CPI (MoM)		-0.1%	0.5%
12:15 PM	Eurozone	French CPI (YoY)			2.3%
12:15 PM	Eurozone	French PPI (MoM) (Aug)			0.6%
1:25 PM	Eurozone	German Unemployment Change (Sep)		-9K	-8K
1:25 PM	Eurozone	German Unemployment Rate (Sep)		5.2%	5.2%
2:00 PM	U.K.	Current Account (Q2)		-19.4B	-17.7B
2:00 PM	U.K.	GDP (YoY) (Q2)		1.3%	1.3%
2:00 PM	U.K.	GDP (QoQ) (Q2)		0.4%	0.4%
2:30 PM	Eurozone	Core CPI (YoY)		1.1%	1.0%
2:30 PM	Eurozone	CPI (YoY) (Sep)		2.1%	2.0%
3:30 PM	India	Federal Fiscal Deficit (Aug)			5,402.57B
5:00 PM	India	Bank Loan Growth			13.5%
5:00 PM	India	Deposit Growth			8.9%
5:00 PM	India	FX Reserves, USD			400.49B
5:30 PM	India	Foreign Debt (USD) (Q2)			529.7B
5:30 PM	India	Infrastructure Output (YoY) (Aug)			6.6%
7:15 PM	U.S.	Chicago PMI (Sep)		62.3	63.6
7:30 PM	U.S.	Michigan Consumer Sentiment (Sep)		100.5	100.8

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