

# COMMODITY

## Report

31 May 2018



**SHRIRAM INSIGHT SHARE BROKERS LIMITED**

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EVERYTHING YOU  
NEED TO KNOW  
ABOUT THE COMMODITY



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## ECONOMIC / GLOBAL NEWS

- Oil rallied, with U.S. prices notching their first gain in six sessions on the back of reports that the OPEC will keep crude production curbs in place until at least the end of the year. July West Texas Intermediate crude rose \$1.48, or 2.2%, to settle at \$68.21 a barrel on the New York Mercantile Exchange, after marking its lowest close in the previous session since April 17. MCX Crude Oil June expiry closed at Rs. 4614 per barrel, up 1.92%.
- China manufacturing sector continued to expand in May, with a manufacturing PMI score of 51.9, unchanged from the April reading. The bureau also said that its non-manufacturing PMI came in with a score of 54.9.
- U.S. gross domestic product increased at a 2.2% annual rate in the first quarter, previously reported 2.3% pace. The economy grew at a 2.9% rate in the fourth quarter.
- U.S. trade gaps in goods - services are excluded - fell 0.6% to \$68.2 billion in April from \$68.6.
- U.S. ADP said private sector employment climbed by 178,000 jobs in May after rising by a downwardly revised 163,000 jobs in April.
- U.S. Conference Board consumer confidence index rose 2.4 points to a reading of 128.0 in May from a downwardly revised 125.6 in April.
- U.S. wholesale inventories were virtually unchanged in April of 2018 from the previous month's 0.3%.
- Hinting that Federal Reserve will raise interest rates in June, the central bank said that U.S. economic activity expanded moderately in late April and early May with few shifts in the pattern of growth.
- The American Petroleum Institute reported that U.S. crude supplies rose by 1 million barrels for the week ended May 25. The API data also showed a fall of 1.7 million barrels in gasoline stockpiles, while inventories of distillates climbed by 1.5 million barrels.
- U.K. GfK consumer sentiment improved 2 points to -7 in May.
- Eurozone economic confidence index dropped to 112.5 in May from 112.7 in April. Meanwhile, the confidence index in retail trade rose to 0.7 from -0.7 a month ago.
- Germany's consumer prices climbed 2.2% year-on-year in May, faster than the 1.6% increase in April. On a monthly basis, consumer prices advanced 0.5% in May.
- Germany's seasonally adjusted jobless total fell by 11,000 to 2.358 million in May. The unemployment rate fell to 5.2% in May. That was the lowest since German reunification in 1990.
- Germany's retail sales grew 2.3% in April from March, when trade decreased by revised 0.4%. On a yearly basis, retail turnover advanced 1.2% after climbing 1.7% a month ago.
- Germany's import prices climbed 0.6% year-over-year in April, reversing a 0.1% drop in March. On a monthly basis, import prices rose 0.6% from March, when it remained flat.
- France's gross domestic product grew 0.2% sequentially in the first quarter, slower than the 0.7% expansion registered a quarter. The sequential growth rate was revised down from 0.3%.
- France's consumer spending dropped 1.5% month-over-month in April, reversing a 0.2% rise in March.
- Japan's industrial production expanded a seasonally adjusted 0.3% on month in April, unchanged from, the March reading. On a yearly basis, industrial production gained 2.5% - up from 2.4% in the previous month.

INDEX	30-MAY-18	29-MAY-18	PTS. CH.	% CHANGE
<b>Dow</b>	24667.92	24361.45	<b>306.47</b>	<b>1.26</b>
<b>Nifty</b>	10614.35	10633.30	<b>-18.95</b>	<b>-0.18</b>
<b>Sensex</b>	34906.11	34949.24	<b>-43.13</b>	<b>-0.12</b>
<b>USD/INR</b>	67.43	67.86	<b>-0.43</b>	<b>-0.64</b>
<b>Dollar Index</b>	94.06	94.79	<b>-0.73</b>	<b>-0.77</b>
<b>Euro/\$1US</b>	1.1665	1.1540	<b>0.0125</b>	<b>1.08</b>
<b>\$1US/Yen</b>	108.73	108.77	<b>-0.04</b>	<b>-0.04</b>
<b>Pound/\$1US</b>	1.3285	1.3254	<b>0.0031</b>	<b>0.23</b>

## MARKET UPDATE

- U.S. stocks rose sharply, rebounding from the previous day's rout, as energy shares bounced back amid a rally for oil prices and worries over Italy's political crisis faded. The S&P 500 added 34.15 points, or 1.3%, to 2,724.01. The Nasdaq Composite advanced 65.86 points, or 0.9%, to 7,462.45.
- Indian market closed lower for the second day running as worries about political uncertainty in Italy and Spain as well as fresh fears of a trade war between the U.S. and China sapped investors' appetite for risk.

## CURRENCY UPDATE

- The euro rallied, rebounding from a roughly 10-month low and pushing the U.S. dollar lower, as traders gauged the depth of political turmoil in Italy, where reports of populist parties' last-ditch effort to form a government and fears of another election in the southern European country had helped to elicit the specter of a 2012-style eurozone crisis of confidence. The euro climbed to \$1.1664, retracing its losses from \$1.1541. The shared currency rallied to a high of \$1.1677, after having dropped to an intraday low of \$1.1510, its lowest level since last July. The euro rally weighed on the ICE U.S. Dollar Index skidded 0.8% to 94.096. The WSJ Dollar Index dropped 0.6% to 87.05. The pound rose to \$1.3284 from \$1.3253. The yen was almost flat against the dollar. The buck bought ¥108.89, compared with ¥108.76.
- The rupee staged an impressive comeback after yesterday's rout and ended with a solid 43 paise gain against the American currency at 67.43 after traders unwound bullish dollar positions. The Indian unit opened flat with negative bias 67.87 against Tuesday's close of 67.86. After falling as low as 67.91 in mid-morning deals, the rupee managed to bounce back to hit session's high of 67.42, before ending at 67.43, showing a smart gain of 43 paise, or 0.634%. The RB fixed the reference rate for the dollar at 67.6288.

BULLION	CLOSING		% CH
	30-MAY-18	29-MAY-18	
<b>Gold Aug MCX</b>	31300	31444	<b>-0.46</b>
<b>Gold Aug Comex</b>	1307	1304	<b>0.18</b>
<b>Silver Jul MCX</b>	40044	39979	<b>0.16</b>
<b>Silver Jul Comex</b>	16.544	16.373	<b>1.04</b>
<b>ENERGY</b>			
<b>Crude Oil Jun MCX</b>	4614	4527	<b>1.92</b>
<b>Crude Jul Nymex</b>	68.21	66.73	<b>2.22</b>
<b>Natural Gas Jun MCX</b>	195.90	197.10	<b>-0.61</b>
<b>Nat. Gas Jul Henry Hub</b>	2.885	2.903	<b>-0.62</b>

NAME OF THE ETF	HOLDINGS IN TONNES AS ON		% CH
	30-MAY-18	29-MAY-18	
<b>SPDR Gold ETF</b>	851.45	851.45	<b>0.00</b>
<b>iShares Silver Trust</b>	10016.55	9952.13	<b>0.65</b>

NAME OF THE ETF	CLOSING		RATIO
	30-MAY-18		
<b>Gold v/s Silver</b>	1307	16.544	<b>78.97</b>
<b>Gold v/s Crude Oil</b>	1307	68.21	<b>19.15</b>

(IN TONS)	LME INVENTORIES DATA			% Change
	30-MAY-18	29-MAY-18	Change	
<b>Aluminum</b>	1210300	1219250	<b>-8950</b>	<b>-0.73</b>
<b>Copper</b>	283375	294750	<b>-11375</b>	<b>-3.86</b>
<b>Nickel</b>	292098	294804	<b>-2706</b>	<b>-0.92</b>
<b>Lead</b>	134200	134050	<b>150</b>	<b>0.11</b>
<b>Zinc</b>	228975	228975	<b>0</b>	<b>0.00</b>

BASE METALS	CLOSING		% CH
	30-MAY-18	29-MAY-18	
<b>Aluminium Jun</b>	154.05	154.90	<b>-0.55</b>
<b>Copper Jun</b>	458.85	460.70	<b>-0.40</b>
<b>Nickel Jun</b>	1017.10	1009.40	<b>0.76</b>
<b>Lead Jun</b>	165.60	165.75	<b>-0.09</b>
<b>Zinc Jun</b>	212.95	209.80	<b>1.50</b>

## ECONOMIC CALENDER

THURSDAY MAY 31, 2018

TIME	COUNTRY	EVENT	ACTUAL	FORECAST	PREVIOUS
52:00 AM	U.S.	<b>API Weekly Crude Oil Stock</b>	<b>1.001M</b>	2.214M	-1.300M
4:31 AM	U.K.	<b>GfK Consumer Confidence (May)</b>	<b>-7</b>	-8	-9
5:20 AM	Japan	<b>Industrial Production (MoM) (Apr)</b>	<b>0.3%</b>	1.5%	1.4%
6:30 AM	China	<b>Manufacturing PMI (May)</b>	<b>51.9</b>	51.4	51.4
6:30 AM	China	<b>Non-Manufacturing PMI (May)</b>	<b>54.9</b>	54.8	54.8
11:30 AM	U.K.	<b>Nationwide HPI (YoY) (May)</b>		3.0%	2.6%
11:30 AM	U.K.	<b>Nationwide HPI (MoM) (May)</b>		0.2%	0.2%
11:30 AM	Germany	<b>German Retail Sales (YoY) (Apr)</b>		1.0%	1.3%
11:30 AM	Germany	<b>German Retail Sales (MoM) (Apr)</b>		0.8%	-0.6%
12:15 PM	France	<b>French CPI (YoY)</b>			1.6%
12:15 PM	France	<b>French CPI (MoM)</b>		0.2%	0.2%
12:15 PM	France	<b>French PPI (MoM) (Apr)</b>			0.4%
2:30 PM	Eurozone	<b>Core CPI (YoY)</b>		1.0%	0.7%
2:30 PM	Eurozone	<b>CPI (YoY) (May)</b>		1.6%	1.3%
2:30 PM	Eurozone	<b>Unemployment Rate (Apr)</b>		8.4%	8.5%
5:00 PM	India	<b>Infrastructure Output (YoY) (Apr)</b>			4.1%
5:30 PM	India	<b>GDP Quarterly (YoY) (Q4)</b>		7.3%	7.2%
6:00 PM	U.S.	<b>Continuing Jobless Claims</b>		1,749K	1,741K
6:00 PM	U.S.	<b>Initial Jobless Claims</b>		234K	234K
7:15 PM	U.S.	<b>Chicago PMI (May)</b>		58.2	57.6
7:30 PM	U.S.	<b>Pending Home Sales (MoM) (Apr)</b>		1.1%	0.4%
8:00 PM	U.S.	<b>Natural Gas Storage</b>		102B	91B
8:30 PM	U.S.	<b>Crude Oil Inventories</b>		-0.600M	5.778M
8:30 PM	U.S.	<b>EIA Weekly Distillates Stocks</b>		-1.500M	-0.951M
8:30 PM	U.S.	<b>Gasoline Inventories</b>		-1.100M	1.883M
8:40 PM	India	<b>Federal Fiscal Deficit (Mar)</b>			7,156.99B

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