

COMMODITY

Report

31 July 2018



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EVERYTHING YOU
NEED TO KNOW
ABOUT THE COMMODITY



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ECONOMIC / GLOBAL NEWS

- Oil futures ended higher, with the U.S. benchmark pushing back above \$70 a barrel for the first time in nearly three weeks on global supply concerns and strong underlying demand. West Texas Intermediate crude-oil futures trading on the New York Mercantile Exchange for September rose \$1.44, or 2.1%, to settle at \$70.13 a barrel, after changing hands above \$70 for the first time since July 10. MCX Crude Oil August expiry closed at Rs. 4824 per barrel, up 2.33%.
- China's factory PMI slid to 51.2 in July from 51.5 a month ago. At the same time, the non-manufacturing PMI dropped to 54.0 from 55 in June. The expected score was 54.9.
- U.S. pending home sales index climbed by 0.9% to 106.9 in June after falling by 0.5% to 105.9 in May.
- U.K.'s consumer confidence weakened in July, with an index score of -10. That unchanged from the June reading.
- Eurozone economic sentiment eased to 112.1 points in July from 112.3 in June. The consumer sentiment held stable at -0.6 points -- still high above the long-term average of -12.2.
- Germany's consumer price inflation advanced 2% year-on-year in July, slightly slower than the 2.1% rise in June and 2.2% increase in May. On a monthly basis, consumer prices gained 0.3%.
- Greece's producer price inflation climbed 8.2% year-over-year in June, faster than the 7.0% rise in May. Monthly, producer prices dropped 0.4% from May, when it increased by 2.8%.
- Spain's consumer price inflation slowed to 2.2% in July from 2.3% a month ago. On a monthly basis, consumer prices fell 0.7% in July.
- Bank of Japan will purchase government bonds so that the yield of 10-year JGBs will remain at around 0%. The BoJ is set to conduct purchases of Japanese government bonds in a flexible manner so that the outstanding amount will increase at an annual pace of about JPY 80 trillion. The board retained the -0.1% interest rate on current accounts that financial institutions maintain at the bank.
- Japan's jobless rate came in at a seasonally adjusted 2.4% in June, up from 2.2% in May.
- Japan's industrial output was down 1.2% on year in June, following the 4.2% jump in the previous month. On a monthly basis, industrial production skidded 2.1% - following the 0.2% drop in May.
- South Korea's industrial output slipped a seasonally adjusted 0.6% on month in June. That's down from the upwardly revised 1.2% jump in May (originally 1.1%). On a yearly basis, industrial production fell 0.4% following the upwardly revised 1.2% gain in the previous month (originally 0.9%).
- Malaysia's producer prices edged up 0.1% year-over-year in June, reversing a 0.4% fall in May. On a monthly basis, producer prices dropped 0.7% from May, when it increased by 0.3%.

INDEX	30-JULY-18	27-JULY-18	PTS. CH.	% CHANGE
Dow	25307.30	25451.06	-143.76	-0.56
Nifty	11319.55	11278.35	41.20	0.37
Sensex	37494.40	37336.85	157.55	0.42
USD/INR	68.67	68.65	0.02	0.03
Dollar Index	94.14	94.46	-0.32	-0.34
Euro/\$1US	1.1707	1.1658	0.0049	0.42
\$1US/Yen	111.00	111.05	-0.05	-0.05
Pound/\$1US	1.3136	1.3104	0.0032	0.24

MARKET UPDATE

- An unraveling of popular technology bets, marked by a third straight session in the red, helped to push the tech-laced Nasdaq Composite Index to its lowest close in more than three weeks. The Nasdaq Composite Index shed 107.41 points, or 1.4%, to 7,630. The S&P 500 gave up 16.22 points, 0.6%, to 2,802.60.
- Indian market closed higher, with banks leading the surge as investors shifted their focus to Reserve Bank of India (RBI) policy meeting later this week.

CURRENCY UPDATE

- The U.S. dollar weakened against a basket of its major rivals, as traders prepared for a week filled with monetary-policy updates from Japan, the U.S. and the U.K. The ICE U.S. Dollar Index was down 0.4% at 94.325, while the broader WSJ Dollar Index was down 0.2% at 88.08. This gave the greenback's main rival, the euro room to rally to \$1.1709 compared with \$1.1656. The Japanese yen was slightly weaker versus the greenback, with one dollar buying ¥111.02, up from ¥111.04. The British pound last fetched \$1.3135, up slightly from \$1.3104.
- The rupee closed down by a modest 2 paise at 68.67 against the US currency to end its three-session gaining streak due to month-end dollar demand. The Indian unit resumed lower at 68.70 against weekend close of 68.65 at the Interbank Foreign Exchange (forex) market. The rupee recouped early steep losses towards the tail-end trade before settling at 68.67, showing a nominal loss of 2 paise. The Financial Benchmarks India private limited (FBIL) fixed the reference rate for the dollar at 68.7531.

BULLION	CLOSING		% CH
	30-JULY-18	27-JULY-18	
Gold Oct MCX	29922	29958	-0.12
Gold Dec Comex	1232	1233	-0.10
Silver Sep MCX	38342	38326	0.04
Silver Sep Comex	15.537	15.493	0.28
ENERGY			
Crude Oil Aug MCX	4824	4714	2.33
Crude Sep Nymex	70.13	68.69	2.10
Natural Gas Aug MCX	193.20	192.60	0.31
Nat. Gas Sep Henry Hub	2.797	2.782	0.54

NAME OF THE ETF	HOLDINGS IN TONNES AS ON		% CH
	30-JULY-18	27-JULY-18	
SPDR Gold ETF	800.20	800.20	0.00
iShares Silver Trust	10246.51	10246.51	0.00

NAME OF THE ETF	CLOSING		RATIO
	30-JULY-18		
Gold v/s Silver	1232	15.537	79.26
Gold v/s Crude Oil	1232	70.13	17.56

(IN TONS)	LME INVENTORIES DATA			% Change
	30-JULY-18	27-JULY-18	Change	
Aluminum	1198250	1200025	-1775	-0.15
Copper	256275	253525	2750	1.08
Nickel	256158	257502	-1344	-0.52
Lead	127325	127850	-525	-0.41
Zinc	242050	243100	-1050	-0.43

BASE METALS	CLOSING		% CH
	30-JULY-18	27-JULY-18	
Aluminium Aug	142.60	141.20	0.99
Copper Aug	425.40	425.85	-0.11
Nickel Aug	952.80	946.20	0.70
Lead Aug	148.40	147.15	0.85
Zinc Aug	176.70	179.15	-1.37

ECONOMIC CALENDER

TUESDAY JULY 31, 2018

TIME	COUNTRY	EVENT	ACTUAL	FORECAST	PREVIOUS
4:31 AM	U.K.	GfK Consumer Confidence (Jul)	-10	-9	-9
5:00 AM	Japan	Unemployment Rate (Jun)	2.4%	2.3%	2.2%
5:20 AM	Japan	Industrial Production (MoM) (Jun)	-2.1%	-0.3%	-0.2%
6:30 AM	China	Manufacturing PMI (Jul)	51.2	51.4	51.5
6:30 AM	China	Non-Manufacturing PMI (Jul)	54.0	55.0	55.0
Tentative	Japan	BoJ Interest Rate Decision	-0.10%	-0.10%	-0.10%
11:30 AM	Germany	German Retail Sales (MoM) (Jun)		1.1%	-2.1%
11:30 AM	Germany	German Retail Sales (YoY) (Jun)		1.5%	-1.6%
Tentative	Japan	BoJ Press Conference			
12:15 PM	France	French CPI (YoY)			2.1%
12:15 PM	Germany	French CPI (MoM)		-0.3%	0.0%
1:25 PM	Germany	German Unemployment Change (Jul)		-10K	-15K
1:25 PM	Germany	German Unemployment Rate (Jul)		5.2%	5.2%
2:30 PM	Eurozone	Core CPI (YoY)		1.0%	0.9%
2:30 PM	Eurozone	CPI (YoY) (Jul)		2.0%	2.0%
2:30 PM	Eurozone	GDP (QoQ)		0.4%	0.4%
2:30 PM	Eurozone	GDP (YoY)		2.2%	2.5%
2:30 PM	Eurozone	Unemployment Rate (Jun)		8.3%	8.4%
3:30 PM	India	Federal Fiscal Deficit (Jun)			3,454.93B
5:00 PM	India	Infrastructure Output (YoY) (Jun)			3.6%
7:15 PM	U.S.	Chicago PMI (Jul)		61.9	64.1
7:30 PM	U.S.	CB Consumer Confidence (Jul)		126.5	126.4

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