

COMMODITY

Report

31 August 2018



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ECONOMIC / GLOBAL NEWS

- WTI crude oil prices settled higher Thursday as traders continued to cheer a bullish U.S. petroleum report from a day earlier and signs of tightening global crude supplies amid falling Iranian exports. On the New York Mercantile Exchange crude futures for September delivery rose 1.1% to settle at \$70.25 a barrel.
- U.S. consumer spending increased solidly in July, suggesting strong economic growth early in the third quarter, while a measure of underlying inflation hit the Federal Reserve's 2 percent target for the third time this year.
- The number of Americans filing for unemployment benefits rose last week, but the underlying trend continued to point to a robust labor market that should keep the economy on a strong growth path this year. Initial claims for state unemployment benefits increased 3,000 to a seasonally adjusted 213,000 for the week ended Aug. 25. The continuing claims declined 15,000 between the July and August survey weeks, suggesting an improvement in the unemployment rate. The jobless rate was at 3.9 percent in July.
- The Canadian economy expanded in the second quarter at the fastest pace in one year as exports climbed, but the improved growth was not expected to trigger an interest hike next week from the Bank of Canada. Gross domestic product grew at an annualized rate of 2.9 percent in the second quarter of the year.
- German inflation rose in line with expectations last month. The consumer price index rose 2% last month, compared with the same month a year earlier, matching the previous month's increase.
- Euro zone economic sentiment edged lower for an eight consecutive month in August, pulled down by less optimism in industry and services. The economic sentiment indicator for the 19 countries sharing the euro currency eased to 111.6 points in August from 112.1 in July, continuing a downward trend started since a peak of 115.2 last December.
- Growth in China's manufacturing sector unexpectedly rose in August as the official Purchasing Managers' Index (PMI) rose to 51.3. The service PMI for August jumped to 54.2 from 54.0 in July.
- Japan's jobless rate rose slightly in July while the availability of jobs improved. The seasonally adjusted unemployment rate rose to 2.5 percent from 2.4 percent in July.

INDEX	30-AUG-18	29-AUG-18	PTS. CH.	% CHANGE
Dow	25986.92	26124.57	-137.65	-0.53
Nifty	11676.80	11691.90	-15.10	-0.13
Sensex	38690.10	38722.93	-32.83	-0.08
USD/INR	71.42	70.54	0.88	1.25
Dollar Index	94.71	94.60	0.11	0.12
Euro/\$1US	1.1665	1.1708	-0.0043	-0.37
\$1US/¥en	111.01	111.67	-0.6600	-0.59
Pound/\$1US	1.3011	1.3027	-0.0016	-0.12

MARKET UPDATE

- U.S. stocks snapped a four-day winning streak to finish lower Thursday, with the Dow falling back below 26,000, on a report that President Donald Trump is likely to press ahead with tariffs against \$200 billion worth of Chinese products. The Dow Jones Industrial Average DJIA, fell 137.65 points, or 0.5%, to 25,986.92. The S&P 500 index SPX, lost 12.91 points, or 0.4%, to 2,901.13. The Nasdaq Composite Index COMP fell 21.32 points, or 0.3%, to 8,088.36 after earlier testing an intraday record of 8,133.30.
- The benchmark indices on Thursday ended lower for a second straight session as investors squared off positions on the expiry day of August F&O series. Weakness in the domestic currency and global stocks further dented investor confidence. The rupee in plunged to its fresh all-time low level against the US dollar amid on sustained month-end dollar demand from importers and rising crude oil prices. The BSE Sensex ended the session 33 points, or 0.08 per cent, lower at 38,690.10. NSE's Nifty slipped 15 points, or 0.13 per cent to 11,676.80.

CURRENCY UPDATE

- The dollar edged higher by 0.11 points at 94.71 on Thursday as easing concerns over trade conflicts fueled appetite for riskier currencies, though thin month-end markets checked losses. The Euro USD closed 0.37% lower at 1.1665 against the greenback. The Pound USD also fell by 0.12% against the USD. The USD/ Japanese Yen traded 0.59% lower at 111.01.
- The rupee continued with its downwards journey on Thursday, as the Indian currency hit record closing low for a second straight day. Sustained month-end demand for the greenback by importers and rising crude oil prices weighed heavily on the unit. The rupee closed at fresh record low of 71.42 against dollar.

BULLION	CLOSING		% CH
	30-AUG-18	29-AUG-18	
Gold Oct MCX	30170	30188	-0.06
Gold Dec Comex	1205	1212	-0.58
Silver Dec MCX	37689	37960	-0.71
Silver Sep Comex	14.594	14.697	-0.70
ENERGY			
Crude Oil Sep MCX	4999	4926	1.48
Crude Oct Nymex	70.25	69.51	1.06
Natural Gas sep MCX	204.90	203	1.09
Nat. Gas Oct Henry Hub	2.874	2.863	0.38

NAME OF THE ETF	HOLDINGS IN TONNES AS ON		% CH
	30-AUG-18	29-AUG-18	
SPDR Gold ETF	757.81	759.87	-0.27
iShares Silver Trust	10259.67	10236.28	0.23

NAME OF THE ETF	CLOSING		RATIO
	30-AUG-18		
Gold v/s Silver	1205	14.594	82.57
Gold v/s Crude Oil	1205	70.25	17.15

(IN TONS)	LME INVENTORIES DATA			% Change
	30-AUG-18	29-AUG-18	Change	
Aluminum	1073050	1075750	-2700	-0.25
Copper	266450	267850	-1400	-0.52
Nickel	240678	240666	12	0.00
Lead	126225	126225	0	0.00
Zinc	243825	245750	-1925	-0.78

BASE METALS	CLOSING		% CH
	30-AUG-18	29-AUG-18	
Aluminium Sep	151.20	152.25	-0.69
Copper Nov	431.70	430.40	0.30
Nickel Sep	944.00	949.70	-0.60
Lead Sep	147.20	147.55	-0.24
Zinc Sep	176.00	178.75	-1.54

ECONOMIC CALENDER

FRIDAY AUGUST 31, 2018

TIME	COUNTRY	EVENT	ACTUAL	FORECAST	PREVIOUS
4:31 AM	U.K.	GfK Consumer Confidence (Aug)	-7	-10	-10
5:00 AM	Japan	Unemployment Rate (Jul)	2.5%	2.4%	2.4%
5:20 AM	Japan	Industrial Production (MoM) (Jul)	-0.1%	0.2%	-1.8%
6:30 AM	China	Manufacturing PMI (Aug)	51.3	51.0	51.2
6:30 AM	China	Non-Manufacturing PMI (Aug)	54.2	53.8	54.0
Tentative	U.K.	Nationwide HPI (YoY)	2.00%	2.6%	2.5%
Tentative	U.K.	Nationwide HPI (MoM)	-0.50%	0.1%	0.7%
11:30 AM	Germany	German Retail Sales (YoY) (Jul)	0.80%		2.7%
11:30 AM	Germany	German Retail Sales (MoM) (Jul)	-0.4%	-0.2%	0.9%
12:15 PM	France	French CPI (YoY)	2.3%		2.3%
12:15 PM	France	French CPI (MoM)	0.5%	0.5%	-0.1%
12:15 PM	France	French PPI (MoM) (Jul)	0.6%		0.1%
2:30 PM	Eurozone	Core CPI (YoY)		1.1%	1.1%
2:30 PM	Eurozone	CPI (YoY) (Aug)		2.1%	2.1%
2:30 PM	Eurozone	Unemployment Rate (Jul)		8.2%	8.3%
3:30 PM	India	Federal Fiscal Deficit (Jul)			4,290.33B
5:00 PM	India	Bank Loan Growth			12.7%
5:00 PM	India	Deposit Growth			8.2%
5:00 PM	India	FX Reserves, USD			400.85B
5:00 PM	India	Infrastructure Output (YoY) (Jul)			6.70%
5:30 PM	India	GDP Quarterly (YoY) (Q1)		7.60%	7.70%
7:15 PM	U.S.	Chicago PMI (Aug)		63.0	65.5
7:30 PM	U.S.	Michigan Consumer Sentiment (Aug)		95.5	95.3

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