

COMMODITY DAILY REPORT (Metals & Energy)

11th June, 2018

INTERNATIONAL MARKETS

COMEX / NYMEX / ICE (PRECIOUS METALS AND ENERGY)

COMMODITY	CONTRACT	EXPIRY DATE	CLOSING PRICE
Silver	July	27-Jul-18	16.74
Gold	Aug	29-Aug-18	1302.70
Crude Oil	July	20-June-18	65.74
Brent Crude Oil	Aug	29-June-18	76.46
Natural Gas	July	27-June-18	2.89

Closing as on 08.06.18

CURRENCY / COMMODITY INDEX

CURRENCY (Spot)	CURRENT PRICE
USD / INR*	67.52
Dollar Index	93.46
EUR / USD	1.18
CRB Index	204.75

*Closing as on 08.06.18

LME (BASE METALS) (\$ per tonnes)

COMMODITY		CLOSING PRICE
Copper	Cash	7,262.50
Aluminum	Cash	2,287.50
Zinc	Cash	3,183.50
Lead	Cash	2,468.00
Nickel	Cash	15,240.00

Closing as on 08.06.18

SHFE (BASE METALS) (Yuan per tonnes)

COMMODITY	MONTH	CLOSING PRICE
Copper	June	53540.00
Aluminum	June	14760.00
Zinc	June	24650.00
Lead	June	20705.00

Closing as on 08.06.18

DOMESTIC MARKETS

MCX (BULLIONS AND ENERGY)

COMMODITY	EXPIRY DATE	CLOSING PRICE	TREND**	DATE TREND CHANGED	RATE TREND CHANGED	CLOSING STOP LOSS
Silver	5-Jul -18	40412.00	Sideways	07.06.18	40460.00	-
Gold	3-Aug -18	31215.00	Sideways	06.06.18	30861.00	-
Crude Oil	19-June -18	4445.00	Down	25.05.18	4597.00	4550.00
Natural gas	26-June -18	195.80	Up	23.04.18	182.30	192.00

Closing as on 08.06.18

MCX (BASE METALS)

COMMODITY	EXPIRY DATE	CLOSING PRICE	TREND**	DATE TREND CHANGED	RATE TREND CHANGED	CLOSING STOP LOSS
Copper	29-Jun-18	491.25	Up	05.06.18	474.80	472.00
Aluminum	29-Jun-18	156.90	Down	23.04.18	151.00	160.00
Zinc	29-Jun-18	217.40	Sideways	18.05.18	211.10	-
Lead	29-Jun-18	166.65	Up	14.05.18	161.05	163.00
Nickel	29-Jun-18	1043.10	Up	21.05.18	1000.00	1020.00

**One has to follow the trend and see the price only at closing. This is not for Intra day trading.

Closing as on 08.06.18

Market Update (Bullions)

Bullion counter may trade with sideways bias as fear of interest rate hike in Fed meeting on 13th June can keep the prices under pressure while tensions in US and North Korea is capping the downside. However, weighing on gold price is recent rise in yields on prospect of monetary tightening by major central banks. Meanwhile, wild fluctuations in local currency rupee are keeping domestic prices volatile which can move in range of 66.60-67.80. Gold can face resistance near 31400 and can take support near 31000. While silver can face resistance near 40700 and can take support near 40100. Investors will await clues from meeting of the Federal Reserve on the pace of U.S. interest rate rises on 13th June and US-North Korea denuclearization talks. Fed funds futures are pricing in a very high chance of the second Fed rate hike of 2018. In addition, Fed Chair Jerome Powell will give a press conference following the announcement, which could provide clues about future policy decisions. India's gold imports plunged a fifth straight month in May to 48 tonnes as a rally in local prices to near their highest level in 21 months curtailed retail purchases. Global risk sentiment may not improve significantly given the geopolitical tensions and trade uncertainty. The U.S. Fed will likely raise its target interest rate to above the rate of inflation for the first time in a decade this week. President Donald Trump is slated to meet with North Korean leader Kim Jong Un on June 12, in Singapore.

Market Update (Base Metals)

In Base metal counter, Copper and Nickel may move further higher on supply concerns while rest base metals can trade sideways. Copper can continue its upside momentum but profit booking at higher levels cannot be denied. Copper can take support near 484 and can move higher towards 500. Copper witnessed stunning rally last week that pushed the metal to its strongest in 4-1/2 years in LME amid worries over potential supply disruptions at the world's biggest copper mine Escondida where wage talks are underway. The union at BHP's Escondida mine in Chile had started latest round of wage negotiations. Failure to reach deal in 2017 led to a strike that resulted in near-8% drop in annual output. Zinc may trade sideways as it can take support near 214 levels and can face resistance near 220. Nickel prices can take support near 1020 and can recover towards 1060-1070. Shandong Xinhai Technology Co, one of China's largest nickel pig iron producers, has been told to cut back output ahead of the Shanghai Cooperation Organization (SCO) summit in Qingdao. Lead may continue to show recovery as it can take support near 164 and recover towards 172. Looking over the supply side, the supply side of Lead is being the tightest among the commodity market as there is big clampdown on Chinese private mining sector. Aluminium can trade on mixed path as it can take support near 153 and resistance near 160 in MCX. The US has imposed import tariffs on aluminum and steel imports from Canada, Mexico and European Union but US allies have threatened retaliation against US decision.

Market Update (Energy)

Crude oil prices can continue to trade with weak bias as increased US production and expectations of higher OPEC output can keep the prices under pressure. However downside can remain capped as Venezuela's struggles to meet its supply obligations. Crude oil prices can face resistance near 4500 and can slip lower towards 4350. Venezuela is nearly month behind in shipping crude to customers from its main oil export port as chronic delays threaten to breach PDVSA's crude supply contracts if they are not quickly cleared. Increase in US stockpiles is also keeping the prices downbeat. U.S. crude oil stockpiles rose unexpectedly even as refineries hiked output to the highest in five months, while gasoline stocks increased sharply as demand eased. U.S. crude inventories rose 2.1 million barrels against a forecast for decrease of 1.8 million barrels kept pressure on prices. Meanwhile U.S. government asked Saudi Arabia and some other OPEC producers to increase oil production by about 1 million barrels a day. The European Union has vowed to maintain the Iran nuclear deal despite the U.S. decision to exit, and Brussels has pushed back against Washington's attempts to penalize European companies from doing business with Iran. Natural gas can show recovery on increased weather related demand as it can test 202 while it has key support near 195 levels. Meteorologists are expecting temperatures to remain higher than usual through at least late June which will keep demand for gas higher than normal. Meanwhile, the market is eagerly expecting production growth to ramp up in the next few weeks in order to begin tightening the year/year storage deficit.

KEY ECONOMIC RELEASES

IST	Economic releases	Importance	Expected	Previous	Impact on	Adverse/Favourable
-	-	-	-	-	-	-

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