

COMMODITY DAILY REPORT (Metals & Energy)

27th June, 2018

INTERNATIONAL MARKETS

COMEX / NYMEX / ICE (PRECIOUS METALS AND ENERGY)

| COMMODITY | CONTRACT | EXPIRY DATE | CLOSING PRICE |
|-----------------|----------|-------------|---------------|
| Silver | July | 27-Jul-18 | 16.25 |
| Gold | Aug | 29-Aug-18 | 1259.90 |
| Crude Oil | Aug | 20-July-18 | 70.53 |
| Brent Crude Oil | Aug | 29-June-18 | 76.31 |
| Natural Gas | July | 27-June-18 | 2.94 |

Closing as on 26.06.18

CURRENCY / COMMODITY INDEX

| CURRENCY (Spot) | CURRENT PRICE |
|-----------------|---------------|
| USD / INR* | 68.36 |
| Dollar Index | 94.68 |
| EUR / USD | 1.1645 |
| CRB Index | 200.13 |

*Closing as on 26.06.18

LME (BASE METALS) (\$ per tonnes)

| COMMODITY | | CLOSING PRICE |
|-----------|------|---------------|
| Copper | Cash | 6712.00 |
| Aluminum | Cash | 2152.00 |
| Zinc | Cash | 2895.00 |
| Lead | Cash | 2408.00 |
| Nickel | Cash | 14570.00 |

Closing as on 26.06.18

SHFE (BASE METALS) (Yuan per tonnes)

| COMMODITY | MONTH | CLOSING PRICE |
|-----------|-------|---------------|
| Copper | July | 51370.00 |
| Aluminum | July | 14005.00 |
| Zinc | July | 22755.00 |
| Lead | July | 20190.00 |

Closing as on 26.06.18

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 | 39640.00 | Down | 15.06.18 | 40199.00 | 40400.00 |
| Gold | 3-Aug -18 | 30554.00 | Down | 15.06.18 | 31000.00 | 31200.00 |
| Crude Oil | 19-July -18 | 4815.00 | Up | 22.06.18 | 4672.00 | 4620.00 |
| Natural gas | 26-July -18 | 200.40 | Up | 23.04.18 | 182.30 | 193.00 |

Closing as on 26.06.18

MCX (BASE METALS)

| COMMODITY | EXPIRY DATE | CLOSING PRICE | TREND** | DATE TREND CHANGED | RATE TREND CHANGED | CLOSING STOP LOSS |
|-----------|-------------|---------------|---------|-----------------------|-----------------------|----------------------|
| Copper | 29-Jun-18 | 451.90 | Down | 18.06.18 | 468.75 | 465.00 |
| Aluminum | 29-Jun-18 | 150.30 | Down | 23.04.18 | 151.00 | 156.00 |
| Zinc | 29-Jun-18 | 197.65 | Down | 21.06.18 | 201.60 | 204.00 |
| Lead | 29-Jun-18 | 164.80 | Down | 21.08.18 | 161.90 | 171.00 |
| Nickel | 29-Jun-18 | 1013.50 | Up | 22.06.18 | 1038.80 | 1000.00 |

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

Closing as on 26.06.18

Market Update (Bullions)

Bullion counter may trade with weak bias on stronger greenback amid easing risk aversion and expectations of further interest rate hikes by the US Federal Reserve. Gold can take support near 30400 and can face resistance near 30700 in MCX. Meanwhile Silver can take support near 39400 and can face resistance near 39900. The US House of Representatives overwhelmingly passed a bill on Tuesday to tighten foreign investment rules, spurred by bipartisan concerns about Chinese bids to acquire sophisticated US technology. US President Donald Trump on Tuesday endorsed US Treasury Secretary Steven Mnuchin's measured approach to restricting Chinese investments in US technology companies, saying a strengthened merger security review committee could protect sensitive American technologies. Trump said on Tuesday the government was completing a study about increasing import tariffs on cars from the European Union and suggested he would take action soon. China's net gold imports via main conduit Hong Kong surged 50 per cent in May from the previous month, data showed on Tuesday.

Market Update (Base Metals)

Base metals counter can trade sideways as short covering can be seen after the sharp fall witnessed recently. Profits at China's industrial firms rose sharply in May, maintaining the previous month's sizzling pace despite signs of slowing momentum in the world's second-largest economy and an intensifying trade spat with the United States. Profits at China's industrial companies in May rose 21.1 percent from a year earlier, nearly on pace with a 21.9 percent gain in April. The People's Bank of China (PBoC) announced a 0.5pp cut in the Required Reserve Ratio (RRR), effective July 5, following a similar cut implanted on April 17 (the first RRR cut since 2016). The latest RRR cut is set to inject 700 billion yuan (\$107 billion) of fresh liquidity, which was more than the market had expected. Copper can take support near 448 and resistance near 456. The forward curve of the LME copper market has tightened remarkably – the cash/three-month spread has averaged a small contango of \$1 per tonne, compared with an average contango of \$32 per tonne so far this year. Zinc can take support near 196 and resistance near 201 while lead can take support near 163 and can face resistance near 166. Nickel may take support near 1000 and can face resistance near 1025. Aluminium may witness some short covering as it can take support near 147 and resistance near 153 in MCX. London aluminium rose nearly 1 percent on Wednesday, rebounding from multi-month lows along with other industrial metals following the previous session's selloff, although worries over U.S. trade policy limited any recovery in risk appetite.

Market Update (Energy)

Crude oil may trade on firm note following supply disruptions in Libya and Canada and after U.S. officials told oil importers to stop buying Iranian crude from November. Crude oil can take support near 4780 and may move higher towards 4860 in MCX. The United States demanded all countries stop imports of Iranian oil from November, a State Department official said on Tuesday. In addition, top exporter Saudi Arabia plans to raise output to make up for lost supplies. Beyond looming sanctions, other supply disruptions are tightening oil markets. In Libya, a power struggle between the official government and rebels has left it unclear who will handle the country's large oil exports, although as of Tuesday the oil ports of Hariga and Zueitina in eastern Libya were working normally. Natural gas can trade with sideways to upside bias as it can take support near 196 and move towards 204. U.S. natural gas futures edged higher on Tuesday, supported by forecasts for hotter weather and more demand for air conditioning over the next two weeks, even as production held at record highs.

KEY ECONOMIC RELEASES

| IST | Economic releases | Importance | Expected | Previous | Impact on | Adverse/Favourable |
|-------|-------------------------------------|------------|----------|----------|------------------|--------------------|
| 18:00 | US Durable Goods Orders (MoM) (May) | High | -0.90% | -1.60% | Metal and Energy | Favourable |
| 19:30 | US Pending Home Sales (MoM) (May) | High | 1.10% | -1.30% | Metal and Energy | Favourable |
| 20:00 | EIA Crude Oil Inventories | High | -2.572M | -5.914M | Crude oil | Adverse |
| 20:00 | EIA Gasoline Inventories | High | 1.313M | 3.277M | Crude oil | Favourable |

Vandana Bharti (AVP - Commodity Research)
Sandeep Joon Sr. Research Analyst (Metal & Energy)

Boardline : 011-30111000 Extn: 625
Boardline : 011-30111000 Extn: 683

vandanabharti@smcindiaonline.com
sandeepjoon@smcindiaonline.com

E-mail: smc.care@smcindiaonline.com



Moneywise. Be wise.

Corporate Office:
11/6B, Shanti Chamber,
Pusa Road, New Delhi - 110005
Tel: +91-11-30111000
www.smcindiaonline.com

Mumbai Office:
Lotus Corporate Park, A Wing 401 / 402, 4th Floor,
Graham Firth Steel Compound, Off Western
Express Highway, Jay Coach Signal, Goreagon
(East) Mumbai - 400063
Tel: 91-22-67341600, Fax: 91-22-67341697

Kolkata Office:
18, Rabindra Sarani, Poddar Court, Gate No-4,
5th Floor, Kolkata - 700001
Tel.: 033 6612 7000/033 4058 7000
Fax: 033 6612 7004/033 4058 7004

SMC Global Securities Ltd. (hereinafter referred to as "SMC") is regulated by the Securities and Exchange Board of India ("SEBI") and is licensed to carry on the business of broking, depository services and related activities. SMC is a registered member of National Stock Exchange of India Limited, Bombay Stock Exchange Limited, MSEI (Metropolitan Stock Exchange of India Ltd.) and M/s SMC Comtrade Ltd is a registered member of National Commodity and Derivative Exchange Limited and Multi Commodity Exchanges of India and other commodity exchanges in India. SMC is also registered as a Depository Participant with CDSL and NSDL. SMC's other associates are registered as Merchant Bankers, Portfolio Managers, NBFC with SEBI and Reserve Bank of India. It also has registration with AMFI as a Mutual Fund Distributor.

SMC is a SEBI registered Research Analyst having registration number INH100001849. SMC or its associates has not been debarred/ suspended by SEBI or any other regulatory authority for accessing /dealing in securities/commodities market.

The views expressed by the Research Analyst in this Report are based solely on information available publicly available/internal data/ other reliable sources believed to be true. SMC does not represent/ provide any warranty expressly or impliedly to the accuracy, contents or views expressed herein and investors are advised to independently evaluate the market conditions/risks involved before making any investment decision. The research analysts who have prepared this Report hereby certify that the views /opinions expressed in this Report are their personal independent views/opinions in respect of the subject commodity.

DISCLAIMER: This Research Report is for the personal information of the authorized recipient and doesn't construe to be any investment, legal or taxation advice to the investor. It is only for private circulation and use. The Research Report is based upon information that we consider reliable, but we do not represent that it is accurate or complete, and it should not be relied upon as such. No action is solicited on the basis of the contents of this Research Report. The Research Report should not be reproduced or redistributed to any other person(s) in any form without prior written permission of the SMC. The contents of this material are general and are neither comprehensive nor inclusive. Neither SMC nor any of its affiliates, associates, representatives, directors or employees shall be responsible for any loss or damage that may arise to any person due to any action taken on the basis of this Research Report. It does not constitute personal recommendations or take into account the particular investment objectives, financial situations or needs of an individual client or a corporate/s or any entity/s. All investments involve risk and past performance doesn't guarantee future results. The value of, and income from investments may vary because of the changes in the macro and micro factors given at a certain period of time. The person should use his/her own judgment while taking investment decisions.

Please note that SMC its affiliates, Research Analyst, officers, directors, and employees, including persons involved in the preparation or issuance of this Research Report: (a) from time to time, may have long or short positions in, and buy or sell the commodity thereof, mentioned here in or (b) be engaged in any other transaction involving such commodities and earn brokerage or other compensation or act as a market maker in the commodities discussed herein(c) may have any other potential conflict of interest with respect to any recommendation and related information and opinions. All disputes shall be subject to the exclusive jurisdiction of Delhi High Court. All disputes shall be subject to the exclusive jurisdiction of Delhi High Court.