

COMMODITY DAILY REPORT (Metals & Energy)

16th July, 2018

INTERNATIONAL MARKETS

COMEX / NYMEX / ICE (PRECIOUS METALS AND ENERGY)

COMMODITY	CONTRACT	EXPIRY DATE	CLOSING PRICE
Silver	Sep	26-Sep-18	15.82
Gold	Aug	29-Aug-18	1241.20
Crude Oil	Aug	20-July-18	71.01
Brent Crude Oil	Sep	31-July-18	75.33
Natural Gas	Aug	27-July-18	2.75

Closing as on 13.07.18

CURRENCY / COMMODITY INDEX

CURRENCY (Spot)	CURRENT PRICE
USD / INR*	68.49
Dollar Index	94.73
EUR / USD	1.17
CRB Index	198.66

*Closing as on 13.07.18

LME (BASE METALS) (\$ per tonnes)

COMMODITY		CLOSING PRICE
Copper	Cash	6,166.00
Aluminum	Cash	2,102.00
Zinc	Cash	2,607.00
Lead	Cash	2,162.00
Nickel	Cash	13,870.00

Closing as on 13.07.18

SHFE (BASE METALS) (Yuan per tonnes)

COMMODITY	MONTH	CLOSING PRICE
Copper	July	48490.00
Aluminum	July	13950.00
Zinc	July	21065.00
Lead	July	19915.00

Closing as on 13.07.18

DOMESTIC MARKETS

MCX (BULLIONS AND ENERGY)

COMMODITY	EXPIRY DATE	CLOSING PRICE	TREND**	DATE TREND CHANGED	RATE TREND CHANGED	CLOSING STOP LOSS
Silver	5-Sep -18	39046.00	Up	04.07.18	39919.00	38900.00
Gold	3-Aug -18	30105.00	Down	15.06.18	31000.00	30600.00
Crude Oil	19-July -18	4884.00	Down	12.07.18	4780.00	5000.00
Natural gas	26-July -18	189.60	Sideways	09.07.18	194.50	-

Closing as on 13.07.18

MCX (BASE METALS)

COMMODITY	EXPIRY DATE	CLOSING PRICE	TREND**	DATE TREND CHANGED	RATE TREND CHANGED	CLOSING STOP LOSS
Copper	31-Aug-18	422.70	Down	18.06.18	468.75	440.00
Aluminum	31-July-18	139.35	Down	23.04.18	151.00	148.00
Zinc	31-July-18	177.80	Down	21.06.18	201.60	186.00
Lead	31-July-18	151.00	Down	21.08.18	161.90	160.00
Nickel	31-July-18	953.40	Down	04.07.18	970.90	985.00

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

Closing as on 13.07.18

Market Update (Bullions)

Bullion counter may remain on weaker path amid stronger greenback but short covering at lower levels cannot be denied. Meanwhile, rising inflation has increased the fear of swift hike in US interest rates has kept the prices on weaker side. Inflation in the US rose to the highest level in six and half years at 2.9%, the biggest rise since February 2012, after advancing 2.8% in May. Recently, local currency rupee has shown some strength after testing 69 against the dollar which further pressurized the bullion counter. Gold (Aug) can take support near 29900 and can face resistance near 30200 while silver (Sep) can take support near 38600 while it faces resistance near 39400. Fed Chairman Jerome Powell stated that the U.S. economy remains in a "good place," with recent government tax and spending programs likely to boost gross domestic product for perhaps three years. U.S. According to the Treasury Secretary Steven Mnuchin "United States and China could reopen talks on trade but only if Beijing is willing to make significant changes". US fund investors pulled \$1 billion from commodity funds, including those invested in the precious metal, the largest withdrawals since July 2017. The easing of tensions between US and North Korea has also resulted in selling pressure. President Donald Trump suggested that China might be seeking to derail US efforts aimed at denuclearizing North Korea, but stated that he was confident that North Korean leader Kim Jong Un would uphold a pact the two agreed on last month.

Market Update (Base Metals)

In base metal counter, selling pressure may continue further extending its recent losses amid escalation of trade tensions between US and China. China accused the United States of bullying and warned it would hit back after the Trump administration raised the stakes in their trade dispute, threatening 10 per cent tariffs on \$200 billion of Chinese goods in a move that rattled global markets. Copper may trade with a downside bias in the range of 417-427. Copper continued to dip lower due to concern about rising supply after Indonesia struck an agreement with FreeportMcMoRan Inc and Rio Tinto to buy a controlling stake in the mine, Grasberg. Chilean copper production increased by 6.1 percent in May from a year earlier to 494,500 tonnes in its best monthly performance so far this year, driven by the country's largest mines. Zinc may remain on lower side as it can face resistance near 180 and can slip lower towards 174. Nickel prices can face resistance near 960 and can take support near 945. Lead may remain sideways as it can take support near 149 and can face resistance near 153. Aluminium may trade further lower towards 138 while it can face resistance near 141. A smelter based in China's central Henan province will move more than 300,000 tonnes of annual aluminium smelting capacity to Liaoning province in the northeast, in line with the government's policy allowing replacement of outdated plants. United Company Rusal, the world's second biggest aluminium producer, in May increased aluminium exports to 197,000 tonnes, up almost threefold from April.

Market Update (Energy)

Crude oil prices may trade sideways in the range of 4850-4950 & the upside may remain capped. On the international market, the crude oil prices are cooling down amidst easing of supply concerns in Libya. Libya's National Oil Corp would reopen four oil export terminals, ending a standoff that had shut down most of Libya's oil output which will allow return of up to 850,000 bpd of high-quality crude to markets. Recent price rises have also been spurred by a U.S. announcement that it plans to re-introduce sanctions against Iran from November, which will also target its oil industry. The United States stated that it wants to reduce oil exports from Iran, the world's fifth-biggest producer, to zero by November, which would oblige other big producers to pump more. Suncor Energy stated that its 360,000-barrel-per-day Syncrude facility would resume some production in July, earlier than expected, following outage last month. The IEA cautioned that the world's oil supply cushion might be stretched to the limit due to production losses in several different countries. Elsewhere, China's crude oil imports fell in June from the previous month as some independent refiners remained shut or reduced operations amid weakening margins. Natural gas can trade with bearish path on record high US production as it can take resistance near 194 and dip lower towards 185. The 8-14 days weather outlook shows mostly the cooler temperature levels across the entire region whereas the central & western counties are expected to have warmer to normal temperature levels being at levels of 40%-70% below normal temperature levels.

KEY ECONOMIC RELEASES

IST	Economic releases	Importance	Expected	Previous	Impact on	Adverse/Favourable
6:00 PM	U.S Core Retail Sales (MoM) (Jun)	High	0.40%	0.90%	Metals and Energy	Adverse
6:00 PM	U.S Retail Sales (MoM) (Jun)	High	0.40%	0.80%	Metals and Energy	Adverse

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