



# Metals Daily

Thursday, June 30, 2016

Commodity	Last	Chg.	% Chg.
Gold / USD Spot	1318.51	6.4	0.49%
Silver / USD Spot	18.273	0.521	2.93%
Crude oil \$ Spot	49.85	1.92	4.01%
COMEX Copper \$	343.5	-1.9	-0.55%
LME Copper (3M)	4853	12.5	0.26%
LME Aluminum (3M)	1634.5	-1.5	-0.09%
LME Nickel (3M)	9505	60	0.64%
LME Lead (3M)	1775.5	12	0.69%
LME Zinc (3M)	2100	14	0.67%

Equity	Last	Chg.	% Chg.
BSE Sensex Index	26740.4	215.8	0.81%
S&P CNX NIFTY	8204.0	76.1	0.94%
Hang Seng Index	20436.1	263.7	1.31%
Shanghai Index	2931.6	19.0	0.65%
Nikkei 225 Index	15566.8	243.7	1.59%
DAX Index	9612.3	165.0	1.75%
CAC 40 Index	4195.3	106.5	2.60%
Dow Jones	17694.7	285.0	1.64%
NASDAQ 100 Index	4364.7	74.3	1.73%

*Personal spending climbed 0.4% and the previous month's reading was revised higher indicating a strong start for spending in the second quarter.*

## Market Overview (Economy)

- Asian markets continue to extend gains today as well as global risk sentiment remains supported and worries over the impact of Brexit fade.
- European Union leaders in their summit which ended yesterday called for an orderly withdrawal of Britain from the EU bloc to minimize instability.
- In currencies, the euro and pound are flat after gaining for two days. Markets will now focus back on U.S. economic data to gauge the Fed's next move. U.S. non-farm payrolls are due next week.

## Precious Metals

- Gold prices are trading flat but are still broadly holding near two-year highs despite a rebound in global risk sentiment.
- Better US data helped is helping dollar to hold near three month highs which will also cap upside in precious metals.
- Personal spending climbed 0.4% and the previous month's reading was revised higher indicating a strong start for spending in the second quarter.
- Earlier, US GDP showed 1.1% growth in Q1, revised up from the second estimate of 0.8% and the advance print of 0.5%. The Q2 GDP estimate is now 2.7%.

## Base Metals

- Base metals are extending gains for a third straight day as global risk sentiment remains supported. Lead was the biggest gainer yesterday, climbing 2% to close at \$1,770 on the LME.
- A private survey indicated that China's economy rebounded in Q2, with capital expenditures recovering from 5-year lows. This may also help industrial metals to rally further.
- Copper continues to trade near eight-week highs as the dollar slipped and markets rebounded after the initial Brexit jitters.
- The focus of markets will be on global manufacturing PMI due later this week. China's official PMI is expected to have slipped to a four-month low of 50.0 in June from 50.1 in May.

*China's economy rebounded in Q2, with capital expenditures recovering from 5-year lows.*

LME Inventory	
Commodity	Change
Copper	1250
Zinc	-1200
Lead	-275
Nickel	-708
Aluminium	-8675
Source: Reuters	

## Energy

- Crude oil prices are lower at the start but bounced strongly yesterday in line with the rebound in other risk assets and a bigger than expected decline in US inventories.
- It will be crucial to see if prices sustain above \$50 after failing for the past couple of times.
- US crude inventories fell by 4.1 million barrels to 526.5 million, compared with expectations for a decrease of 2.4 million barrels as per EIA data.
- US domestic production also fell to 8.62 mbpd from 8.67 mbpd a week ago. Output is down nearly 0.9 mbpd from the same week a year ago.
- On the supply side, oil production in Nigeria has risen to about 1.9 million bpd from 1.6 million bpd due to a possible ceasefire in the Niger Delta region. This could cap the upside in prices.

*US domestic production also fell to 8.62 mbpd from 8.67 mbpd a week ago.*

## Level Playing Sheet

Commodity	Exchange	Expiry	Close	S2	S1	Pivot	R1	R2	Trend	Conviction	Range
Gold	MCX	Aug	31315	31136	31226	31342	31432	31548	Bullish	Moderate	31181 - 31387
Gold	COMEX	Aug	1324	1305	1315	1321	1330	1337	Bullish	Moderate	1318 - 1334
Silver	MCX	July	43202	42260	42731	43070	43541	43880	Bullish	Moderate	42901 - 43711
Silver	COMEX	July	18.36	16.78	16.80	16.80	16.93	17.01	Bullish	High	16.78-17.01
Crude Oil	MCX	July	3336	3199	3268	3308	3377	3417	Bullish	Moderate	3288 - 3397
Crude Oil	NYMEX	Aug	49.88	47.27	48.57	49.29	50.59	51.31	Bullish	High	48.9 - 51
Copper	MCX	Jun	325.40	320.83	323.12	324.53	326.82	328.23	Bullish	High	323.8 - 327.5
Zinc	MCX	Jun	140.70	138.33	139.52	140.23	141.42	142.13	Bullish	High	139.9 - 141.8
Lead	MCX	Jun	119.05	116.15	117.60	118.45	119.90	120.75	Bearish	Moderate	118 - 120.3
Nickel	MCX	Jun	633.3	619.8	626.5	630.4	637.1	641.0	Bearish	Moderate	628 - 639
Aluminum	MCX	Jun	109.75	108.55	109.15	109.50	110.10	110.45	Bearish	Moderate	109.3 - 110.3

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