



Metals Daily

Friday, July 01, 2016

Commodity	Last	Chg.	% Chg.
Gold / USD Spot	1321.78	3.27	0.25%
Silver / USD Spot	18.69	0.417	2.28%
Crude oil \$ Spot	48.27	-1.58	-3.17%
COMEX Copper \$	343.5	-1.9	-0.55%
LME Copper (3M)	4848	-2.5	-0.05%
LME Aluminum (3M)	1648	1	0.06%
LME Nickel (3M)	9485	65	0.69%
LME Lead (3M)	1781.5	-0.5	-0.03%
LME Zinc (3M)	2120	15	0.72%

Equity	Last	Chg.	% Chg.
BSE Sensex Index	26999.7	259.3	0.97%
S&P CNX NIFTY	8287.8	83.8	1.02%
Hang Seng Index	20794.4	358.3	1.75%
Shanghai Index	2929.6	-2.0	-0.07%
Nikkei 225 Index	15575.9	9.1	0.06%
DAX Index	9680.1	67.8	0.71%
CAC 40 Index	4237.5	42.2	1.00%
Dow Jones	17930.0	235.3	1.33%
NASDAQ 100 Index	4417.7	53.0	1.21%

Holdings in gold ETF's topped \$6 billion in Q2 after gaining \$10 billion in Q1.

Market Overview (Economy)

- Asian markets are mixed in early trade but are headed for the best weekly gain in more than two months as worries over Brexit faded and as Central banks pledged to limit the risks to growth.
- BOE Governor Mark Carney indicated yesterday that they could cut interest rates within months to shield the British economy.
- In currencies, the pound remains under pressure while dollar index continues to hold strong. The yuan meanwhile lipped is heading for a weekly slide and weakened more than 3% in Q2.

Precious Metals

- Gold prices are trading higher with silver leading gains among the precious metals pack.
- Silver is trading near its highest since September 2014 after surging above \$19 today in early trade.
- Dovish central banks may continue to keep gold and silver supported as BOE hinted about rate cuts and as Fed probabilities of hikes diminished this year.
- The U.S. Mint sold 73,500 ounces of American Eagle gold coins in June. Holdings in gold ETF's topped another \$6 billion in Q2 after gaining \$10 billion in Q1.

Base Metals

- Base metals are flattish but disappointing manufacturing data from China may cap gains.
- China's official Purchasing Managers' Index (PMI) eased to 50.0 in June, compared with 50.1 in May, a four month low.
- The Caixin PMI meanwhile fell for a fourth straight month to 48.6 from 49.2 last month
- Copper is meanwhile finding support as Chile produced 473,825 tonnes of copper in May, a 6.8 percent decline from the year before, due to falling ore grades.
- Earlier, 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.

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

Energy

- Crude oil prices are higher in early trade but fell yesterday as OPEC output jumped to a record in June as Nigeria's output started to resume.
- OPEC supply rose to 32.82 million bpd in June, from a revised 32.57 million bpd in May backed by higher supply from major Middle East producers.
- Prices also fell as Saudi Aramco is seen cutting its official selling prices for Arab Light crude grade for Asia for August by 40 cents a barrel versus the previous month.
- 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.
- It will be crucial to see if prices sustain above \$50 after failing for the past couple of times.

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Level Playing Sheet

Commodity	Exchange	Expiry	Close	S2	S1	Pivot	R1	R2	Trend	Conviction	Range
Gold	MCX	Aug	31199	31048	31123	31207	31282	31366	Bearish	Moderate	31086 - 31245
Gold	COMEX	Aug	1318	1310	1314	1319	1323	1328	Bearish	Moderate	1316 - 1325
Silver	MCX	Sep	44349	43682	44015	44278	44611	44874	Bullish	Moderate	44147 - 44743
Silver	COMEX	Sep	18.58	16.78	16.80	16.80	16.93	17.01	Bullish	High	16.78-17.01
Crude Oil	MCX	July	3304	3242	3273	3314	3345	3386	Bullish	Moderate	3258 - 3330
Crude Oil	NYMEX	Aug	48.33	47.26	47.79	48.71	49.24	50.16	Flat	Moderate	47.5 - 49
Copper	MCX	Aug	330.60	326.17	328.38	330.27	332.48	334.37	Bullish	High	327.3 - 331.4
Zinc	MCX	July	142.15	139.55	140.85	141.75	143.05	143.95	Bullish	High	141.3 - 143.5
Lead	MCX	July	120.95	118.82	119.88	120.77	121.83	122.72	Bearish	Moderate	120.3 - 122.3
Nickel	MCX	July	638.9	622.9	630.9	639.0	647.0	655.1	Bearish	Moderate	627 - 643
Aluminum	MCX	July	111.30	109.40	110.35	110.95	111.90	112.50	Bearish	Moderate	110.7 - 112.2

For any details contact:

Commodities Advisory Desk - +91 22 3958 3600

commoditiesresearch@motilaloswal.com

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