



Metals Daily

Tuesday, August 02, 2016

Commodity	Last	Chg.	% Chg.
Gold / US Dollar FX Spot	1352.85	2.26	0.17%
Silver / US Dollar FX Spot	20.4	0.09	0.44%
Crude oil \$ Spot	40.05	-1.49	-3.59%
COMEX Copper \$	343.5	-1.9	-0.55%
LME Copper (3M)	4885.5	13.5	0.27%
LME Aluminum (3M)	1636	2	0.12%
LME Nickel (3M)	10790	50	0.47%
LME Lead (3M)	1830	6.5	0.36%
LME Zinc (3M)	2267.5	5.5	0.24%

Equity	Last	Chg.	% Chg.
BSE Sensex Index	28003.1	-48.7	-0.17%
S&P CNX NIFTY	8636.6	-2.0	-0.02%
Hang Seng Index	22129.1	237.8	1.09%
Shanghai SE Composite Index	2953.4	-26.0	-0.87%
Nikkei 225 Index	16635.8	66.5	0.40%
DAX Index	10330.5	-7.0	-0.07%
CAC 40 Index	4409.2	-30.6	-0.69%
Dow Jones Industrial Average Index	18404.5	-27.7	-0.15%
NASDAQ 100 Index	4756.0	25.8	0.55%

India's gold imports in the first seven of months of 2016 have slumped 57% y/y to 215 tonnes.

Market Overview (Economy)

- Asian markets are mixed in early trade as markets await more cues amid a fresh slump on oil prices which fell more than 3% yesterday.
- Japan's government is due to unveil details of its 28 trillion yen (\$273 billion) fiscal stimulus package today which will provide cues to global markets and the yen.
- The dollar index remains largely unchanged while the pound is drifting ahead of the BOE outcome this week. Focus will be on the BOE and NFP data this week.

Precious Metals

- Gold prices are flattish today but remain supported as the dollar index weakened sharply post the big miss on the US GDP data.
- US GDP grew by just 1.2% in the second quarter, nearly half the 2.5% rate expected. The probability of a December rate hike is below 40%
- Physical demand for gold however remains sluggish in India as data show that imports fell for a sixth consecutive month. July imports are estimated to be at just 20 tonnes, down 80% y/y.
- India's gold imports in the first seven of months of 2016 have slumped 57% y/y to 215 tonnes.

Base Metals

- Base metals are mostly mixed as manufacturing data gave mixed signals about global growth momentum.
- U.S. manufacturing activity eased in July to 52.6 as per ISM data. Markit manufacturing PMI however was unchanged at 52.9.
- As per a private survey, China's manufacturing activity expanded for the first time in 17 months in July as output and new orders increased. The official Mfg. PMI however slipped into contraction, falling to 49.1 in July.
- Japanese manufacturing activity meanwhile contracted at a slower pace than expected.
- Russia's Norilsk Nickel's Q2 nickel production amounted to 58,000 tonnes, down 9% q/q.

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LME Inventory	
Commodity	Change
Copper	625
Zinc	-1425
Lead	0
Nickel	-120
Aluminium	-9650

Source: Reuters

Energy

- Oil prices are flat today but corrected sharply yesterday amid an increase in US rig count. The short term trend remains weak.
- U.S. drillers this week added oil rigs for a fifth consecutive week. Oil rig count rose by three to 374 last week.
- Saudi Arabia slashed the September price for its Arab Light crude oil for Asian customers by \$1.30 a barrel, the biggest cut a year.
- Meanwhile, Libya's government reached a deal to open the Ras Lanuf and Es Sider oil ports, the major oil terminals that have been shut since December 2014. Increased supply from Libya could further dent oil prices.
- Exports from southern Iraq in the first 21 days of July averaged 3.28 million barrels per day (bpd), up from 3.18 million bpd in June.

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Level Playing Sheet

Commodity	Exchange	Expiry	Close	S2	S1	Pivot	R1	R2	Trend	Conviction	Range
Gold	MCX	Oct	31562	31389	31476	31537	31624	31685	Flat	Moderate	31507 - 31655
Gold	COMEX	Oct	1351	1342	1347	1350	1355	1358	Bullish	Moderate	1349 - 1356
Silver	MCX	Sep	47717	47315	47516	47789	47990	48263	Bullish	Moderate	47653 - 48127
Silver	COMEX	Sep	20.47	16.78	16.80	16.80	16.93	17.01	Bullish	High	16.78-17.01
Crude Oil	MCX	Aug	2681	2584	2632	2721	2769	2858	Bullish	Moderate	2608 - 2745
Crude Oil	NYMEX	Sep	40.06	38.53	39.29	40.59	41.35	42.65	Bearish	Moderate	38.9 - 41
Copper	MCX	Aug	325.70	320.77	323.23	327.97	330.43	335.17	Bearish	Low	322 - 329.2
Zinc	MCX	Aug	151.45	149.85	150.65	151.50	152.30	153.15	Bearish	Low	151.1 - 152.7
Lead	MCX	Aug	121.70	120.17	120.93	122.27	123.03	124.37	Bearish	Moderate	120.6 - 122.7
Nickel	MCX	Aug	718.1	709.8	713.9	718.7	722.8	727.6	Bearish	Moderate	716 - 725
Aluminum	MCX	Aug	109.00	107.37	108.18	109.67	110.48	111.97	Bearish	Moderate	107.8 - 110.1

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