



Metals Daily

Thursday, June 09, 2016

Commodity	Last	Chg.	% Chg.
Gold / USD Spot	1261.76	18.37	1.48%
Silver / USD Spot	17.019	0.641	3.91%
Crude oil \$ Spot	51.23	0.86	1.71%
COMEX Copper \$	343.5	-1.9	-0.55%
LME Copper (3M)	4600	20	0.44%
LME Aluminum (3M)	1606	11	0.70%
LME Nickel (3M)	8965	-25	-0.29%
LME Lead (3M)	1747	14	0.83%
LME Zinc (3M)	2080	5	0.25%

Equity	Last	Chg.	% Chg.
BSE Sensex Index	27020.7	11.0	0.04%
S&P CNX NIFTY	8273.1	6.6	0.08%
Hang Seng Index	21297.9	-30.4	-0.14%
Shanghai Index	2927.2	-8.9	-0.30%
Nikkei 225 Index	16830.9	155.5	0.93%
DAX Index	10217.0	-70.6	-0.69%
CAC 40 Index	4448.7	-27.1	-0.61%
Dow Jones	18005.1	66.8	0.37%
NASDAQ 100 Index	4520.6	7.5	0.17%

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Market Overview (Economy)

- Asian markets are higher in early trade as US markets inched near record highs on reduced chances of a rate hike in the near term.
- The start of European Central Bank's corporate bond-buying programme coupled with an improving Chinese trade outlook also helped sentiment.
- In currencies, the dollar index is flattish near three week lows which lifted the euro and commodities. Activity during Asian hours may be limited as markets in China, Hong Kong and Taiwan were closed today.

Precious Metals

- Gold and silver are higher in early trade as the dollar remains weak and as global growth concerns continue.
- Prospects of a continuation of accommodative central bank policy have lifted most assets and gold will continue to find favor.
- The ECB started its corporate bond-buying yesterday. As far as Fed is concerned, markets now see just a 2% chance the Fed raises rates at its meeting this month and just a 27% chance in July.
- On the supply side, Russia produced 67.75 tonnes of gold in January-April 2016, up from 63.27 tonnes in the same period last year.

Base Metals

- Base metals are flat in early trade as Chinese markets are closed but the short term bias remains positive owing to a weaker dollar.
- Copper is still the weakest among the base metals pack as LME warehouses in Asia have seen inflows of nearly 54000 tonnes over the past three days, nearly a 30% gain this week.
- China's imports of copper also fell 4.4% from month ago to 430,000 tonnes in May.
- It also exported 420,000 tonnes of unwrought aluminium and aluminium products in May, up from April's 400,000 tonnes.
- On the upside, some resistance may be seen as Japan's core machinery orders tumbled 11% in April from the previous month.

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LME Inventory	
Commodity	Change
Copper	11075
Zinc	3075
Lead	-25
Nickel	-984
Aluminium	-6650
Source: Reuters	

Energy

- Oil prices are extending gains as a drop in US inventories coupled with continuing outages in Nigeria are supporting prices. Both Brent and WTI are sustaining above \$50, pointing to more gains.
- China's crude oil imports in May rose 38.7% y/y to 7.59 mbpd, the biggest jump in more than six years.
- Nigeria's oil production is down to just 800,000 barrels per day (bpd), from 2 million bpd.
- EIA data showed that US inventories fell by 3.2 million barrels to 532.4. However, both gasoline and distillate stocks increased.
- However, total U.S. crude production rose marginally and increase in refined product inventories may cap prices.

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Level Playing Sheet

Commodity	Exchange	Expiry	Close	S2	S1	Pivot	R1	R2	Trend	Conviction	Range
Gold	MCX	Aug	29629	29260	29444	29585	29769	29910	Bullish	Moderate	29515 - 29840
Gold	COMEX	Aug	1260	1240	1250	1257	1267	1274	Bullish	Moderate	1254 - 1270
Silver	MCX	July	40254	38522	39388	39916	40782	41310	Bullish	Moderate	39652 - 41046
Silver	COMEX	July	16.97	16.78	16.80	16.80	16.93	17.01	Bullish	High	16.78-17.01
Crude Oil	MCX	Jun	3396	3333	3365	3391	3423	3449	Bullish	Moderate	3378 - 3436
Crude Oil	NYMEX	July	51.23	49.76	50.49	51.06	51.79	52.36	Bullish	High	50.8 - 52.1
Copper	MCX	Jun	304.15	301.25	302.70	304.85	306.30	308.45	Bearish	Low	302 - 305.6
Zinc	MCX	Jun	137.45	131.35	134.40	136.20	139.25	141.05	Bearish	Low	135.3 - 140.2
Lead	MCX	Jun	115.90	111.93	113.92	115.63	117.62	119.33	Bearish	Moderate	114.8 - 118.5
Nickel	MCX	Jun	598.9	571.0	584.9	592.3	606.2	613.6	Bearish	Moderate	589 - 610
Aluminum	MCX	Jun	106.10	103.23	104.67	105.88	107.32	108.53	Bearish	Moderate	105.3 - 107.9

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