



# Metals Daily

Thursday, August 11, 2016

Commodity	Last	Chg.	% Chg.
Gold / US Dollar FX Spot	1346.27	5.9599	0.44%
Silver / US Dollar FX Spot	20.06	0.223	1.12%
Crude oil \$ Spot	41.75	-1.03	-2.41%
COMEX Copper \$	343.5	-1.9	-0.55%
LME Copper (3M)	4830	8	0.17%
LME Aluminum (3M)	1644	2	0.12%
LME Nickel (3M)	10760	-70	-0.65%
LME Lead (3M)	1827	8	0.44%
LME Zinc (3M)	2291.5	7.5	0.33%

Equity	Last	Chg.	% Chg.
BSE Sensex Index	27774.9	-310.3	-1.10%
S&P CNX NIFTY	8575.3	-103.0	-1.19%
Hang Seng Index	22492.4	26.8	0.12%
Shanghai SE Composite Index	3018.7	-6.9	-0.23%
Nikkei 225 Index	16735.1	-29.9	-0.18%
DAX Index	10650.9	-42.0	-0.39%
CAC 40 Index	4452.0	-16.1	-0.36%
Dow Jones Industrial Average Index	18495.7	-37.4	-0.20%
NASDAQ 100 Index	4783.4	-12.4	-0.26%

*The number of job openings in the US hit 5.6 million in July, less than expected, but up from May's reading of 5.5 million.*

## Market Overview (Economy)

- Asian markets are lower at the start following overnight decline on the Wall Street amid a fresh slump in oil prices. Japan is closed for a holiday.
- U.S. job openings increased in June and layoffs dropped to their lowest in nearly two years.
- The dollar index remains weak as odds of the Federal Reserve raising interest rates in 2016 still remain below 50%.
- The economic calendar is relatively light today and broader market action could be relatively quiet.

## Precious Metals

- Precious metals are flat in early trade as a weaker dollar supports but are still unable to move past crucial resistances.
- The number of job openings in the US hit 5.6 million in July, less than expected, but up from May's reading of 5.5 million.
- Earlier, U.S. nonfarm productivity unexpectedly fell by 0.5% in Q2, a third consecutive drop.
- U.S. economic data is still not instilling enough confidence for markets to start pricing in a rate hike this year. Probabilities of a Fed rate hike are below 50% right until March 2017 which is keeping precious metals supported.

## Base Metals

- Base metals are lower as global equities faltered amid lack of clear cues and absence of major economic data triggers.
- The rise in non-performing loans at China's commercial banks slowed in Q2 but the total volume of bad loans reached an 11-year high which will weigh on sentiment.
- LME nickel hit a peak of \$11,030 yesterday, the highest since Aug. 11 last year but has declined since then on profit-taking.
- Copper is unable to gain as demand side remains weak. China's exports and imports fell more than expected in July, with copper imports down 14%, a rocky start to the Q3
- Net long position of funds trading copper on the LME fell to 43,808 lots last week from a net long position of 48,190 lots.

*LME nickel hit a peak of \$11,030, the highest since Aug. 11 last year but has declined since then on profit-taking.*

LME Inventory	
Commodity	Change
Copper	-525
Zinc	29800
Lead	0
Nickel	-762
Aluminium	-7900

Source: Reuters

## Energy

- Oil prices are lower as US inventories increased for yet another week and as Saudi output hit a record high in July. The short term trend for oil remains weak.
- Crude oil stocks rose 1.06 million barrels to 523.6 million barrels even as Gasoline stocks fell by 2.8 million barrels.
- Saudi Arabia boosted its output to a record high of 10.67 mbpd in July, above the previous record of 10.56 million bpd hit in June 2015.
- OPEC's July crude output rose by 46,000 bpd to 33.11 million bpd, led by Iraq. OPEC however increased its 2016 global oil demand growth estimate by 30,000 bpd to 1.22 million bpd.
- The focus will be on US rig count data tomorrow for more cues.

*Saudi Arabia boosted its output to a record high of 10.67 mbpd in July.*

## Level Playing Sheet

Commodity	Exchange	Expiry	Close	S2	S1	Pivot	R1	R2	Trend	Conviction	Range
Gold	MCX	Oct	31393	31128	31260	31413	31545	31698	Bullish	Moderate	31337 - 31622
Gold	COMEX	Oct	1344	1338	1341	1348	1351	1357	Bullish	Moderate	1340 - 1349
Silver	MCX	Sep	47115	46115	46615	47125	47625	48135	Bullish	Moderate	46870 - 47880
Silver	COMEX	Sep	20.13	16.78	16.80	16.80	16.93	17.01	Bullish	High	16.78-17.01
Crude Oil	MCX	Aug	2812	2737	2774	2836	2873	2935	Bullish	Moderate	2756 - 2855
Crude Oil	NYMEX	Sep	41.71	40.20	40.96	42.17	42.93	44.14	Bearish	Moderate	40.6 - 42.6
Copper	MCX	Aug	321.65	314.88	318.27	321.68	325.07	328.48	Flat	Moderate	320 - 326.8
Zinc	MCX	Aug	152.75	150.68	151.72	152.93	153.97	155.18	Flat	Moderate	152.3 - 154.6
Lead	MCX	Aug	121.45	119.25	120.35	121.85	122.95	124.45	Bearish	Moderate	121.1 - 123.7
Nickel	MCX	Aug	722.6	703.7	713.2	723.7	733.2	743.7	Bearish	Moderate	718 - 738
Aluminum	MCX	Aug	109.60	108.50	109.05	109.95	110.50	111.40	Bearish	Moderate	108.8 - 110.2

**For any details contact:**

Commodities Advisory Desk - +91 22 3958 3600  
[commoditiesresearch@motilaloswal.com](mailto:commoditiesresearch@motilaloswal.com)

**Disclaimer:**

This report is for the personal information of the authorized recipient and does not construe to be any investment, legal or taxation advice to you. Motilal Oswal Commodities Broker Private Limited (hereinafter referred as MOCBPL) is not soliciting any action based upon it. This report is not for public distribution and has been furnished to you solely for your information and should not be reproduced or redistributed to any other person in any form.

The report is based upon information from publicly available data or other sources believed to be reliable, but we do not represent that it is accurate or complete, and it should not be relied upon such. MOCBPL or any of its affiliates or employees shall not be in any way responsible for any loss or damage that may arise to any person from any inadvertent error in the information contained in this report.

MOCBPL or any of its affiliates or employees do not provide, at any time, any express or implied warranty of any kind, regarding any matter pertaining to this report, including without limitation the implied warranties of merchantability, fitness for a particular purpose, and no infringement.

The recipients of this report should rely on their own investigations. MOCBPL and/or its Group Companies, their Directors, affiliates and/or employees may have interests/ positions, financial or otherwise in the Securities/Commodities and other investment products mentioned in this report.

This information is subject to change without any prior notice. MOCBPL reserves the right to make modifications and alternations to this statement as may be required from time to time.