



# Metals Daily

Tuesday, August 16, 2016

Commodity	Last	Chg.	% Chg.
Gold / US Dollar FX Spot	1338.91	3.2	0.24%
Silver / US Dollar FX Spot	19.793	0.103	0.52%
Crude oil \$ Spot	45.72	1.25	2.81%
COMEX Copper \$	343.5	-1.9	-0.55%
LME Copper (3M)	4763	-9	-0.19%
LME Aluminum (3M)	1672	-3	-0.18%
LME Nickel (3M)	10445	-5	-0.05%
LME Lead (3M)	1856	-10.5	-0.57%
LME Zinc (3M)	2261	-2.5	-0.11%

Equity	Last	Chg.	% Chg.
BSE Sensex Index	28152.4	292.8	1.05%
S&P CNX NIFTY	8672.2	80.0	0.93%
Hang Seng Index	22932.5	165.6	0.73%
Shanghai SE Composite Index	3125.2	74.5	2.44%
Nikkei 225 Index	16869.6	-50.4	-0.30%
DAX Index	10739.2	25.8	0.24%
CAC 40 Index	4497.9	-2.3	-0.05%
Dow Jones Industrial Average Index	18636.1	59.6	0.32%
NASDAQ 100 Index	4827.1	20.0	0.42%

*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 shares rose to 1 year highs, extending their gains so far this year to almost 10%, helped by a jump in oil prices and investor expectations of continued easy monetary policy around globe.
- San Francisco Fed President Williams said that Central bankers and governments must come up with new policies to buffer their economies against persistently low interest rates that threaten to make future recessions deeper and more difficult to avoid.
- British employers have turned more cautious about hiring and price of homes for sale fell by most since late 2015, which added to signs economy has stumbled since Brexit referendum.

## Precious Metals

- Gold continues to ad gains on lower expectations that U.S. Federal Reserve will raise interest rates this year due to mixed macro-economic signals from US.
- Dollar was on defensive after weaker than expected U.S. data dented prospects of near-term rate hike Fed.
- Soros Fund Management LLC sharply cut its shares in gold in second quarter, when bullion prices rose to two-year highs.
- BOJ's policy review could put up for debate its target for expanding base money through massive asset purchases.Base

## Metals

- LME copper was hovering near its weakest in a month on Tuesday on a seasonal lull in appetite and shaky prospects for China demand-growth, with traders also looking ahead to a slew of U.S. economic reports.
- Nickel trade has been especially volatile in recent days, with traders watching for developments on the Philippines' mining crackdown. The results of an environmental audit of the sector are due this month.
- Rising demand, deficits and a crackdown in the Philippines are combining to make nickel one of its most-preferred commodities, which said the full impact of mine shutdowns in the Southeast Asia nation may be felt only next year when exports fail to ramp up as usual.

*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	4775
Zinc	-100
Lead	-150
Nickel	-174
Aluminium	-7875

Source: Reuters

## Energy

- Oil prices edged away from 5-week highs on Tuesday, with traders cashing in on a 16% rally since early August that has largely been fuelled by talk of producers taking action to prop up the market.
- OPEC will probably revive talks on freezing oil output levels when it meets non-OPEC nations next month as top exporter Saudi Arabia appears to want higher prices, although Iran, Iraq and Russia present obstacles to a deal.
- U.S. shale oil production is expected to fall for a tenth consecutive month in September, according to a U.S. government forecast released on Monday, as low oil prices continue to weigh on production. Total output is expected to drop 85,000 bpd to 4.47 million bpd.
- While that fundamental news was the main driver of the rally, analysts also noted the emergence of strong technical trends since Thursday that could keep the momentum going.

*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	31219	30863	31041	31309	31487	31755	Bearish	Moderate	30952 - 31398
Gold	COMEX	Oct	1340	1331	1336	1338	1343	1345	Bearish	Moderate	1337 - 1344
Silver	MCX	Sep	46125	45367	45746	46409	46788	47451	Bearish	Moderate	45557 - 46599
Silver	COMEX	Sep	19.82	16.78	16.80	16.80	16.93	17.01	Bearish	Moderate	16.78-17.01
Crude Oil	MCX	Aug	2971	2862	2917	2950	3005	3038	Bullish	Moderate	2934 - 3022
Crude Oil	NYMEX	Sep	45.74	43.80	44.77	45.35	46.32	46.90	Bullish	High	45.1 - 46.6
Copper	MCX	Aug	317.10	312.40	314.75	319.05	321.40	325.70	Bearish	Low	313.6 - 320.2
Zinc	MCX	Aug	149.65	147.38	148.52	150.28	151.42	153.18	Bearish	Low	148 - 150.9
Lead	MCX	Aug	122.70	120.20	121.45	122.30	123.55	124.40	Bearish	Moderate	121.9 - 124
Nickel	MCX	Aug	688.7	670.6	679.7	696.8	705.9	723.0	Bearish	Moderate	675 - 701
Aluminum	MCX	Aug	110.15	109.08	109.62	110.03	110.57	110.98	Bearish	Moderate	109.4 - 110.3

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