



# Metals Daily

Wednesday, August 17, 2016

Commodity	Last	Chg.	% Chg.
Gold / US Dollar FX Spot	1345.7	6.79	0.51%
Silver / US Dollar FX Spot	19.77	-0.023	-0.12%
Crude oil \$ Spot	46.57	0.85	1.86%
COMEX Copper \$	343.5	-1.9	-0.55%
LME Copper (3M)	4800	-13	-0.27%
LME Aluminum (3M)	1686.5	-6.5	-0.39%
LME Nickel (3M)	10310	65	0.62%
LME Lead (3M)	1867	-8	-0.43%
LME Zinc (3M)	2252	-5.5	-0.24%

Equity	Last	Chg.	% Chg.
BSE Sensex Index	28064.6	-87.8	-0.31%
S&P CNX NIFTY	8642.6	-29.6	-0.34%
Hang Seng Index	22910.8	-21.7	-0.09%
Shanghai SE Composite Index	3110.0	-15.2	-0.49%
Nikkei 225 Index	16596.5	-273.1	-1.62%
DAX Index	10676.7	-62.6	-0.58%
CAC 40 Index	4460.4	-37.4	-0.83%
Dow Jones Industrial Average Index	18552.0	-84.0	-0.45%
NASDAQ 100 Index	4797.2	-29.9	-0.62%

*Atlanta Fed's Lockhart suggested that two rate hikes could happen this year.*

## Market Overview (Economy)

- Asian markets are mixed in early trade ahead of the release of the FOMC minutes today which could give clues about the Fed's thinking on the next rate hike
- Overnight, commentary from Fed officials took a slightly hawkish tilt with New York Fed President William Dudley hinting that a rate hike in September was possible.
- The dollar index has rebounded from its lows on these comments which could pressure other major currencies today. In India, currency and debt markets are closed for a holiday.

## Precious Metals

- Precious metals could see a correction today as U.S. rate hike concerns revived post comments from Fed officials.
- Atlanta Fed's Lockhart suggested that two rate hikes could happen this year.
- New York Fed President William Dudley meanwhile hinted that rate hike in September was possible.
- In the light of this, the Fed minutes due for release today will be very closely watched to gauge the timing of the next rate hike.
- The probability of a December rate hike is now at 55% compared to 42% at the start of the week.

## Metals

- Base metals are mixed in early trade as investors remain uncertain about growth prospects.
- U.S. economic data has been supportive as Housing starts unexpectedly jumped 2.1% and industrial production rose 0.7% in July, the most since November 2014
- Zinc has failed to regain momentum on speculation that major producers such as Glencore may reverse output cuts.
- 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.

*Zinc has failed to regain momentum on speculation that major producers such as Glencore may reverse output cuts.*

LME Inventory	
Commodity	Change
Copper	-1775
Zinc	-275
Lead	-50
Nickel	4944
Aluminium	-2250
Source: Reuters	

## Energy

- Oil prices are slightly lower as the dollar rebounded and as API data showed a build in U.S. gasoline and distillate inventories.
- API data suggest that U.S. crude inventories fell by 1 million barrels to 519.8 million while Gasoline and distillate stocks rose by 2.2 million and 2.4 million barrels resp.
- U.S. shale oil production is expected to fall for a tenth consecutive month in September with total shale oil output expected to drop 85,000 bpd to 4.47 million bpd.
- Prices have found support in the recent days on speculation that OPEC will probably revive talks on freezing oil output levels when it meets non-OPEC nations next month

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## Level Playing Sheet

Commodity	Exchange	Expiry	Close	S2	S1	Pivot	R1	R2	Trend	Conviction	Range
Gold	MCX	Oct	31467	31110	31289	31428	31607	31746	Bullish	Moderate	31359 - 31677
Gold	COMEX	Oct	1351	1335	1343	1349	1357	1363	Bullish	Moderate	1346 - 1360
Silver	MCX	Sep	46336	45645	45991	46405	46751	47165	Bearish	Moderate	45818 - 46578
Silver	COMEX	Sep	19.85	16.78	16.80	16.80	16.93	17.01	Bearish	Moderate	16.78-17.01
Crude Oil	MCX	Aug	3104	2956	3030	3072	3146	3188	Bullish	Moderate	3051 - 3167
Crude Oil	NYMEX	Sep	46.58	44.83	45.70	46.22	47.09	47.61	Bullish	High	46 - 47.4
Copper	MCX	Aug	321.20	315.73	318.47	320.18	322.92	324.63	Flat	Moderate	319.3 - 323.8
Zinc	MCX	Aug	150.95	149.05	150.00	150.90	151.85	152.75	Flat	Moderate	150.5 - 152.3
Lead	MCX	Aug	125.15	122.75	123.95	124.75	125.95	126.75	Bearish	Moderate	124.4 - 126.4
Nickel	MCX	Aug	685.1	674.0	679.6	689.6	695.2	705.2	Bearish	Moderate	677 - 692
Aluminum	MCX	Aug	112.85	109.42	111.13	112.07	113.78	114.72	Bearish	Moderate	111.6 - 114.3

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