



Metals Daily

Monday, June 27, 2016

Commodity	Last	Chg.	% Chg.
Gold / USD Spot	1315.48	60.23	4.80%
Silver / USD Spot	17.689	0.416	2.41%
Crude oil \$ Spot	46.7	-2.64	-5.35%
COMEX Copper \$	343.5	-1.9	-0.55%
LME Copper (3M)	4681.5	-16.5	-0.35%
LME Aluminum (3M)	1613	-5	-0.30%
LME Nickel (3M)	8975	-20	-0.22%
LME Lead (3M)	1707	-3.5	-0.20%
LME Zinc (3M)	2006.5	-15.5	-0.76%

Equity	Last	Chg.	% Chg.
BSE Sensex Index	26397.7	-604.5	-2.24%
S&P CNX NIFTY	8088.6	-181.9	-2.20%
Hang Seng Index	20259.1	-609.2	-2.92%
Shanghai Index	2854.3	-37.7	-1.30%
Nikkei 225 Index	14952.0	-1286.3	-7.92%
DAX Index	9557.2	-699.9	-6.82%
CAC 40 Index	4106.7	-359.2	-8.04%
Dow Jones	17400.8	-610.3	-3.39%
NASDAQ 100 Index	4285.7	-181.8	-4.07%

A vote by Britain to leave could tip Europe back into recession, putting more pressure on the global economy.

Market Overview (Economy)

- Asian markets are mixed to lower in early trade as markets come to terms with the aftermath of the Brexit vote on Friday. More than \$2.5 trillion was wiped from global equity values on Friday.
- The UK unexpectedly voted to leave the European Union which sent shockwaves across global markets and created a risk-off sentiment.
- In currencies, Japanese yen and the dollar continue to soar on safe haven buying while the Sterling added to Friday's record drop and is trading near a 30 year low.

Precious Metals

- Gold prices are trading near two year highs as other global assets slumped on worries about the implications of the Brexit vote.
- A vote by Britain to leave could tip Europe back into recession, putting more pressure on the global economy, thereby boosting the safe haven appeal of gold.
- There could also be more political uncertainty as David Cameron resigned and as Scotland hinted about a fresh referendum to exit from the UK.
- The short term trend for precious metals remains positive and more global volatility could push them higher.

Base Metals

- Base metals are mostly lower in early trade as global markets remain nervous after the UK vote to leave the EU.
- Concerns about China also remain as Chinese industrial profits rose 3.7% y/y in May, slowing from April's pace.
- China's yuan also slumped to its weakest level against the dollar since December 2010 owing to uncertainty in global markets
- Meanwhile, China plans to cut its steel production capacity this year by 45 million tonnes.
- The short term trend of base metals depends on how global risk sentiment pans out this week.

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LME Inventory	
Commodity	Change
Copper	-2000
Zinc	-1525
Lead	0
Nickel	-1398
Aluminium	-5625
Source: Reuters	

Energy

- Crude oil prices are lower in early trade in line with selloff in other risk assets as UK voted to leave the EU. The short term trend remains weak.
- Iraqi forces meanwhile recaptured the last district of Fallujah held by Islamic State militants which could now take the battle to Mosul and reduce IS influence.
- Prices also fell as EIA data last week showed a smaller-than-expected inventory drawdown. Crude inventories fell 917,000 barrels compared with expectations for a decrease of 1.7 million barrels.
- On the supply side, Crude oil exports from Mexican state-owned oil company Pemex rose 11.4% in May compared to the prior month, while output was largely unchanged at 2.17 million bpd.

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Level Playing Sheet

Commodity	Exchange	Expiry	Close	S2	S1	Pivot	R1	R2	Trend	Conviction	Range
Gold	MCX	Aug	31401	29210	30306	31115	32211	33020	Bullish	Moderate	30711 - 32616
Gold	COMEX	Aug	1320	1208	1264	1310	1366	1412	Bullish	Moderate	1287 - 1389
Silver	MCX	July	42392	41136	41764	42377	43005	43618	Bullish	Moderate	42071 - 43312
Silver	COMEX	July	17.79	16.78	16.80	16.80	16.93	17.01	Bullish	High	16.78-17.01
Crude Oil	MCX	July	3266	3123	3195	3277	3349	3431	Bullish	Moderate	3159 - 3313
Crude Oil	NYMEX	Aug	47.64	44.51	46.08	48.26	49.83	52.01	Bearish	Moderate	45.3 - 49
Copper	MCX	Jun	317.30	310.57	313.93	316.52	319.88	322.47	Bearish	Low	312.3 - 318.2
Zinc	MCX	Jun	137.10	133.10	135.10	136.20	138.20	139.30	Bearish	Low	135.7 - 138.8
Lead	MCX	Jun	115.90	113.60	114.75	115.50	116.65	117.40	Bearish	Moderate	114.2 - 116.1
Nickel	MCX	Jun	608.3	589.7	599.0	606.5	615.8	623.3	Bearish	Moderate	594 - 611
Aluminum	MCX	Jun	109.15	107.32	108.23	109.02	109.93	110.72	Bearish	Moderate	107.8 - 109.5

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