



## Bullion

### Gold

Last week, spot gold prices traded lower by 1.28 percent to trade at \$1252 per ounce while MCX gold prices declined 0.58 percent to trade at Rs.30432 per 10 gms.

On a monthly basis, gold prices have shed by around 4 percent in the international markets while MCX gold prices have fallen by 1.3 percent in the same time frame as rupee depreciation of around 2 percent cushioned sharp downfall in the Indian markets.

Despite escalating trade tensions between US and China, gold prices have been falling as markets are pricing in two more rate hikes for the rest of the year. Rising interest rate scenarios does not favour investments in the yellow metal and hence the prices correction.

The US economy growing at 4.5 annualised rate in the second quarter, and steady dollar are blend of options for gold prices to move down in the coming weeks.

### Silver

Spot silver prices declined 2.2 percent to close at \$16.1 per ounce in line with decline in gold prices while fall in base metals also exerted downside pressure on silver.

On the MCX, silver prices declined by 1.3 percent to close at Rs.39921 per kg.

### Outlook

We expect gold prices to trade lower continuing its weakness from the previous trading session while the trade tensions between US and China will continue to dominate the investors sentiment.

On the MCX, gold prices are expected to trade lower today, international markets are trading higher by 0.11 percent at \$1250 per ounce.

#### Technical Outlook

valid for July 02, 2018

COMMODITY	SUPPORT	RESISTANCE
SPOT GOLD (\$/OZ)	1247/1242	1257/1261
MCX GOLD AUG'18 (Rs/10GMS)	30300/30180	30550/30650
SPOT SILVER (\$/OZ)	16.00/15.80	16.20/16.60
MCX SILVER JULY'18 (Rs/KG)	39600/39200	40300/40700

## Market Highlights (% change)

as on June 29, 2018

INDICES	LAST	CHANGE	WOW	MOM	YOY
INR/\$ (Spot)	68.5	0.55	-0.9	-2.2	-5.5
Euro/\$ (Spot)	1.2	1.00	0.2	0.2	2.1
Dollar Index	94.6	-0.8	0.1	0.5	19.1
NIFTY	10714.3	1.18	-1.0	0.2	11.4
SENSEX	35423.5	1.10	-0.7	0.6	93.7
DJIA	24271.4	0.23	-1.3	-2.2	13.7
S&P	2718.37	0.1	-1.3	-0.6	12.3

## Gold (% change)

as on June 29, 2018

COMMODITY	LAST	CHANGE	WOW	MOM	YOY
GOLD (SPOT)	1252.3	0.35	-1.3	-3.1	0.6
GOLD (SPOT - MUMBAI)	30700.0	0.49	1.0	0.0	7.9
COMEX	1251.3	0.28	-1.3	-3.2	0.3
MCX Gold	30432.0	-0.25	-0.6	-0.4	6.4

(Comex, Gold spot in \$ per ounce, MCX, Gold spot Mumbai in Rs/10 gms) Source: Reuters

## Silver (% change)

as on June 29, 2018

COMMODITY	LAST	CHANGE	WOW	MOM	YOY
SILVER (SPOT)	16.1	0.8	-2.2	-1.7	-3.1
SILVER (SPOT - MUMBAI)	39500.0	-0.5	-0.6	0.3	3.1
COMEX	16.1	1.0	-1.3	-2.3	-2.8
MCX Silver	39921.0	0.26	-1.3	-0.6	2.3

(Comex in \$ per ounce, MCX, Silver spot in Rs/kg)

Source: Reuters



## Energy

### Crude Oil

WTI and MCX oil prices rose more than 8 percent last week citing several supply concerns.

Falling production in Venezuela and Libya, along with the risk of lower output from Iran as a result of U.S. sanctions, have all increased market worries of a supply shortage. Another big uncertainty for oil is the escalating dispute between the United States and its trading partners, which could hit U.S. crude oil exports to China.

If a 25 percent duty on U.S. crude imports is implemented by Beijing, American oil would become uncompetitive in China, forcing it to seek buyers elsewhere. Trade wars continue to dominate the scene in the international markets.

### Outlook

We expect oil prices to trade lower today as international markets are trading lower by 1.25 percent at \$73.21 per barrel. Profit booking at higher levels will also exert downside pressure on oil.

On the MCX, oil prices are expected to trade lower today.

#### Technical Outlook

valid for July 02, 2018

COMMODITY	SUPPORT	RESISTANCE
NYMEX CRUDE OIL (\$/BBL)	73.30/72.40	74.90/75.80
MCX CRUDE JULY'18 (RS/BBL)	5020/4960	5130/5190
BRENT CRUDE (\$/BBL)	78.30/77.40	79.90/80.80

### Market Highlights - Crude Oil (% change) as on June 29, 2018

COMMODITY	LAST	CHANGE	WOW	MOM	YOY
BRENT (SPOT)	76.8	1.4	4.6	3.1	63.1
NYMEX CRUDE	74.2	1.0	8.1	12.7	65.0
ICE BRENT CRUDE	79.4	2.0	5.1	3.5	67.5
MCX CRUDE	5086.0	0.2	8.9	14.9	74.3

(Brent & NYMEX Crude in \$ per bbl, MCX Crude in Rs/bbl)

Source: Reuters

### Market Highlights - Natural Gas (% change) as on June 29, 2018

COMMODITY	LAST	CHANGE	WOW	MOM	YOY
NYMEX NG	2.9	-0.7	-0.6	-1.7	-3.9
MCX NG	200.8	-1.1	0.5	1.2	1.0

(NYMEX NG in \$/MMbtu, MCX NG in Rs/MMBtu)

Source: Reuters

## Base Metals

Base metals traded lower last week as global aversion citing on going trade war tensions coupled with a stronger DX hurt the complex.

MCX base metals traded lower in line with international trends.

## Copper

Copper prices fell by around 2 percent on both LME and MCX last week falling further towards three month low of \$6589.5/t as lingering trade concerns between the US and China weighed on the global economic barometer.

Trade tensions intensified further as US Treasury is drafting curbs that would block firms with at least 25 percent Chinese ownership from buying US companies with "industrially significant technology" while 25 percent tariff on U.S. soybean imports into China will come into effect on July 6.

Also, U.S. Commodity Futures Trading Commission data showed Hedge funds and money managers trimmed a net long position in copper futures and options in the week to June 19.

However, sharp downside was restricted owing to decline in LME stocks coupled with bargain buying. Besides, US' National security adviser John Bolton is set to meet Russian President Vladimir Putin on Wednesday, ahead of long-awaited summit with Trump.

Talking about stocks, LME stocks fell by 4 percent while Shanghai inventories gained 3 percent last week.

## Outlook

LME Copper prices are trading flat at \$6621/t. Copper prices are likely to trade lower today as China's official manufacturing PMI slipped more than expected in June'18. Also, FOMC meeting minutes and US jobs data due later this week will keep investors cautious.

### Technical Outlook

valid for July 02, 2018

COMMODITY (RS/KG)	SUPPORT	RESISTANCE
MCX COPPER Aug'18	448/444	456/460
MCX ZINC July'18	196.50/195	199.50/201
MCX LEAD July'18	164/162.80	167/168.50
MCX ALUMINUM July'18	145/144	148/149.50
MCX NICKEL July'18	1010/995	1040/1055
MCX BRASS July'18	357/353	363/366

## Market Highlights – Base Metals (% change) as on June 29, 2018

COMMODITY	LAST	CHANGE	WOW	MOM	YOY
LME Copper (3 month)	6626.0	0.0	-2.4	-3.9	11.5
MCX Copper	446.1	-0.5	-1.8	-2.8	16.2
LME Aluminum (3 month)	2132.0	-1.0	-2.0	-7.3	11.6
MCX Aluminum	148.6	-0.6	0.0	-4.3	20.2
LME Nickel (3 month)	14940.0	1.0	-2.8	-3.0	61.3
MCX Nickel	1022.5	1.1	-1.6	-0.8	71.0
LME Lead (3 month)	2409.0	0.3	-0.2	-2.3	4.4
MCX Lead	167.2	1.2	2.0	1.4	12.4
LME Zinc (3 month)	2857.0	-1.7	-2.6	-7.5	4.0
MCX Zinc	200.5	-0.8	-0.9	-3.5	12.5
<b>MCX Brass</b>	360.0	0.0	0.0	-1.4	#N/A

Source: Reuters

## LME Inventories in tonnes

COMMODITY	28/06/18	27/06/18	CHG	%CHG
COPPER	294525	298250	-3725	-1.25%
ALUMINIUM	1114125	1112025	2100	0.19%
NICKEL	272616	272754	-138	-0.05%
ZINC	249300	249325	-25	-0.01%
LEAD	131625	131700	-75	-0.06%

Source: Reuters



## MCX Commodity Options

as on June 29, 2018

COMMODITY	STRIKE PRICE	OPEN	HIGH	LOW	CLOSE	% CHG
Gold call	30700	170	172.5	133	154.5	-0.15
Gold put	30600	339	392.5	322.5	341.5	0.18
Silver Call	41000	365	376	271.5	312.5	-0.08
Silver Put	40000	799	881.5	750	844	0.15
Crude oil Call	5100	106.3	136.5	98.7	126.9	-0.02
Crude oil Put	5000	119.1	130	91	96.5	-0.11
Copper Call	460	12.08	12.3	10.07	10.14	-0.12
Copper Put	450	10.83	12.35	10.57	11.06	-0.03
Zinc Call	210	1.8	1.8	1.5	1.51	-0.15
Zinc Put	195	3	3.45	2.84	3.03	0.17

## Economic indicators to be released on 2-Jul-18

INDICATOR	COUNTRY	TIME (IST)	ACTUAL	FORECAST	PREVIOUS	IMPACT
Caixin Manufacturing PMI	China	7:15am	51.0	51.1	51.1	Medium
Manufacturing PMI	UK	2:00pm	-	54.1	54.4	High
ISM Manufacturing PMI	US	7:30pm	-	58.2	58.7	High

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