

Satco Commodities Pvt Ltd.

Daily Report – Aug 03rd 2017

Outlook for the day

Spot gold XAU= had fallen 0.3 percent to \$1,262.40 per ounce by 0033 GMT. Gold prices drifted further away from seven-week highs hit earlier this week, as the dollar firmed on expectations the U.S. Federal Reserve could trim its bond holdings in September.

The U.S. economy will likely be strong enough for the Fed to trim its bond holdings in September, San Francisco Fed President John Williams said on Wednesday, in a sign the central bank is close to unwinding a controversial stimulus tool. St. Louis Fed President James Bullard is opposed to further U.S. interest rate increases by the central bank and warned that more hikes could hinder domestic inflation from achieving the Fed's 2-percent goal, Market News International reported on Wednesday. The Fed should not "overreact" to weak inflation especially since data will arrive before a mid-September policy meeting that could clarify whether the weakness is temporary, Cleveland Fed President Loretta Mester said on Wednesday.

U.S. private employers added 178,000 jobs in July, below economists' expectations, a report by a payrolls processor showed on Wednesday.

U.S. President Donald Trump grudgingly signed into law new sanctions against Russia on Wednesday; a move Moscow said amounted to a full-scale trade war and an end to hopes for better ties with the Trump administration. A ban on travel by U.S. passport holders to North Korea will take effect on Sept. 1 and Americans in the country should leave before that date, the U.S. State Department said.

U.S. West Texas Intermediate (WTI) crude futures were at \$49.44 per barrel, down 15 cents, or 0.3 percent, from their last settlement.

Oil dipped as a rally that has pushed up prices by almost 10 percent since early last week lost momentum despite renewed signs of a gradually tightening U.S. market. Strong demand in the United States provided prices with support, traders said, but ongoing high supplies from OPEC producers were restricting further gains.

U.S. crude prices held below \$50 per barrel despite record gasoline demand of 9.84 million barrels per day (bpd) last week and a fall in commercial crude inventories in the week to July 28 of 1.5 million barrels to 481.9 million barrels, according to the U.S. Energy Information Administration (EIA). That's below levels seen this time last year, an indication of a tightening U.S. market.

Traders said ongoing high supplies by the Organization of the Petroleum Exporting Countries (OPEC) were capping prices. The high OPEC supplies come despite a pledge by the group, supported by other producers including Russia, to restrict output by 1.8 million bpd between January this year and March 2018 in order to tighten the market.

Trading data in Thomson Reuters Eikon shows that crude oil shipments by OPEC and Russia, which excludes pipeline supplies, hit a 2017 high of around 32 million bpd in July, up from around 30.5 million bpd in January. U.S. investment bank Goldman Sachs saying earlier this week that the oil industry had successfully adapted to oil prices around \$50 per barrel.

Commodity	Open	High	Low	Close	Change	Indices	Close	% Change
Gold	28521	28569	28350	28404	-0.54	Sensex	32476.74	-0.30
Silver	38672	38748	38230	38512	-0.34	Nifty	10081.50	-0.30
Crude oil	3221	3234	3107	3135	-1.51	Nikkei	20004.00	-0.38
Aluminum	122.50	122.65	121.75	121.85	-0.08	Hang Seng	27558.75	-0.18
Cardamom	1185.00	1190.00	1156.50	1159.70	-2.50	S & P 500	2472.25	-0.05
Copper	411.00	411.00	406.10	407.90	-0.67	Dow Jones	21947.50	-0.02
Cpo	491.50	493.00	488.50	489.70	+0.20	Nasdaq	6362.64	-0.00
Lead	148.45	149.50	147.05	149.20	+0.74	DAX	12181.48	-0.57
Mentha oil	1128.50	1139.50	1061.10	1139.50	-5.87	FTSE	7411.43	-0.17
Natural Gas	181.50	182.40	177.80	181.20	+0.67	Straits	3338.98	-0.29
Nickel	655.00	660.80	647.50	657.90	+0.34	Shanghai	3280.53	-0.14
Zinc	179.00	179.50	177.15	178.00	-0.84	CAC40	5107.25	-0.39

LME Inventory Data

Metal	Date 01/08/2017	Date :02/08/2017
Aluminum	-5000	-5125
Copper	-1450	+5575
Lead	-1025	-875
Nickel	-96	+438
Zinc	-1275	-225

Currency Levels

Currency	Open	High	Low	Close	Sett.Price
USDINR	64.3025	64.3325	63.8000	63.8525	63.8525
EURINR	75.9825	76.1300	75.5850	75.6275	75.6275
GBPINR	84.9075	84.9975	84.5000	84.5475	84.5475
JPYINR	58.2175	58.2175	57.6800	57.7250	57.7250

Today's Calls

LEAD

Buy Above 150.20, Target 152.60, SL 149.00



TURMERIC - Aug - (NCDEX)

Buy Above 7711.00, Target 8197.00, SL 7438.00



Global Data

Time	Country	Event	Forecast	Previous
2:00pm	GBP	Services PMI	53.6	53.4
2:30pm	EUR	Retail Sales m/m	0.00%	0.40%
4:30pm	GBP	BOE Inflation Report		
	GBP	MPC Official Bank Rate Votes	2-0-6	3-0-5
	GBP	Monetary Policy Summary		
	GBP	Official Bank Rate	0.25%	0.25%
	GBP	Asset Purchase Facility	435B	435B
	GBP	MPC Asset Purchase Facility Votes	0-0-8	0-0-8
5:00pm	GBP	BOE Gov Carney Speaks		
	USD	Challenger Job Cuts y/y		-19.30%
6:00pm	USD	Unemployment Claims	242K	244K
7:30pm	USD	ISM Non-Manufacturing PMI	56.9	57.4
	USD	Factory Orders m/m	2.90%	-0.80%
8:00pm	USD	Natural Gas Storage	23B	17B

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