Bullion

Gold

Last week, spot gold prices fell by 1 percent to close at $1253.1 per ounce as the Federal Reserve increased interest rates but was less dovish than expected following a two-day meeting.

It was the second time in three months that the Fed raised interest rates by a quarter percentage point, which was widely expected, and the U.S. central bank cited continued economic growth and job market strength. It also announced it would begin cutting its holdings of bonds and other securities this year.

During the week, prices fell to a three-week low, weighed down by a stronger dollar as investors began to assess the potential for another U.S. rate hike later in the year, supported by data showing a strong U.S. jobs market.

The losses in gold were limited, however, with bullion underpinned by myriad global uncertainties, including a report that U.S. President Donald Trump was under investigation.

On the MCX, gold prices declined by 1.1 percent last week to close at Rs.28690 per 10 gms on Friday.

Silver

Spot silver prices declined by 0.8 percent last week to close at $16.6 per ounce in line with decline in gold and base metal prices.

On the MCX, silver prices plunged by 3.1 percent to close at Rs.38481 per kg on Friday.

Outlook

Gold prices are likely to trade sideways today as U.S. homebuilding fell for a third month in May and consumer sentiment unexpectedly fell in early June, thereby raising concerns over rate tightening course.

On the MCX, gold prices are expected to trade sideways today; international markets are trading lower by 0.1 percent at $1252.2 per ounce.

Technical Outlook — valid for June 19, 2017

COMMODITY	SUPPORT	RESISTANCE
SPOT GOLD ($/OZ)	1248/1241	1259/1265
MCX GOLD AUG'17 (Rs/10GMS)	28550/28400	28800/28950
NCDEX GOLD HEDGE JULY'17 (Rs/KG)	26030/25890	26250/26390
SPOT SILVER ($/OZ)	16.50/16.30	16.80/17.00
MCX SILVER JUL'17 (Rs/KG)	38100/37700	38900/39300

Market Highlights (% change)

as on June 16, 2017

INDICES	LAST	CHANGE	WOW	MOM	YOY
INR/$ (Spot)	64.5	0.14	-0.3	-0.7	3.1
Euro/$ (Spot)	1.1	0.48	0.0	1.0	2.5
Dollar Index	97.2	-0.3	-0.1	-0.7	22.3
NIFTY	9588.1	0.10	-0.8	0.8	16.8
SENSEX	31056.4	-0.06	-0.7	1.5	69.8
DJIA	21384.3	0.11	0.5	2.8	21.0
S&P	2433.15	0.0	0.1	1.4	17.9

Gold (% change)

as on June 16, 2017

COMMODITY	LAST	CHANGE	WOW	MOM	YOY
GOLD (SPOT)	1253.1	-0.03	-1.0	1.4	18.1
GOLD (SPOT - MUMBAI)	28600.0	-0.35	-3.7	1.4	13.9
COMEX	1254.0	0.14	-1.1	0.1	-2.5
MCX(AUG'17)	28690.0	-0.27	-1.1	2.1	14.8

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

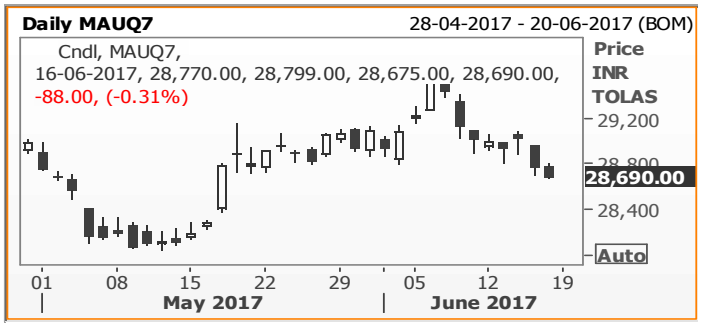
Silver (% change)

as on June 16, 2017

COMMODITY	LAST	CHANGE	WOW	MOM	YOY
SILVER (SPOT)	16.6	-0.8	-3.4	-1.4	19.6
SILVER (SPOT - MUMBAI)	39000.0	0.0	-2.7	0.0	#N/A
COMEX	16.7	-2.4	-2.9	-0.4	-5.1
MCX (JUL'17)	38481.0	-0.62	-3.1	-0.7	15.2

(Comex in $ per ounce, MCX, Silver spot in Rs/kg) *Source: Reuters*

MCX Gold Chart



Source: Reuters

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Energy

Crude Oil

WTI oil prices plunged by 2.4 percent last week to close at $44.7 per barrel as a surprise build in U.S. gasoline inventories and ongoing worries about heavy global supply weighed on it.

Prices did not gain momentum despite following comments by some Reuters sources that Saudi Arabia, the world's top oil exporter, will cut crude allocations to Asia in July to a total of about 300,000 barrels per day (bpd), deeper than in June.

Further, Data from market intelligence firm Genscape estimating a draw of more than 1.8 million barrels at the Cushing, Oklahoma delivery point for U.S. crude futures last week added to the bullish sentiment.

Oil has slumped despite output cuts of 1.8 million barrels a day by the Organization of the Petroleum Exporting Countries and non-OPEC producers including Russia. On May 25, the countries said they agreed to extend the cuts nine months through next March. Yet crude prices have slid about 12 percent since that day as other countries have boosted output.

On the MCX, oil prices fell by 2.7 percent to close at Rs.2879 per barrel.

Outlook

We expect oil prices to trade lower as high inventories globally and supply overhang will continue to exert downside pressure on oil.

On the MCX, oil prices are expected to trade lower today, international markets are trading lower by 0.3 percent at $44.6 per barrel.

Technical Outlook — valid for June 19, 2017

COMMODITY	SUPPORT	RESISTANCE
NYMEX CRUDE OIL ($/BBL)	44.20/43.60	45.30/46.10
MCX CRUDE JUNE'17 (RS/BBL)	2840/2800	2910/2960
BRENT CRUDE JUNE'17 (RS.BBL)	3010/2980	3085/3140

Market Highlights - Crude Oil (% change) as on June 16, 2017

COMMODITY	LAST	CHANGE	WOW	MOM	YOY
BRENT (SPOT)	44.9	-0.4	-2.6	-12.4	22.6
NYMEX CRUDE (JUNE'17)*	44.7	0.6	-2.4	-8.1	-6.8
ICE BRENT CRUDE (JUNE'17)	47.4	1.0	-1.6	-8.3	29.9
MCX CRUDE (JUNE'17)	2879.0	0.1	-2.7	-7.8	17.9

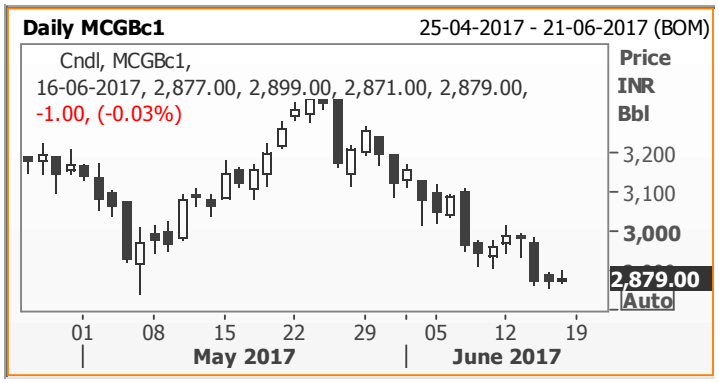
(Brent & NYMEX Crude in $ per bbl, MCX Crude in Rs/bbl) *Source: Reuters*

Market Highlights - Natural Gas (% change) as on June 16, 2017

COMMODITY	LAST	CHANGE	WOW	MOM	YOY
NYMEX NG	3.02	-0.76	-0.49	-6.36	33.57
MCX NG (JUNE'17)	195.90	-0.86	-0.10	-5.04	32.72

(NYMEX NG in $/MMbtu, MCX NG in Rs/MMBtu *Source: Reuters*

MCX Crude Oil Chart



Source: Reuters

Base Metals

LME base metals except Lead traded lower last week as the US Federal Reserve hiked rates by 25 bps despite the main US inflation rate slowing to 1.9% in May from 2.2% in April.

MCX base metals traded mostly lower taking cues from international markets.

Copper

LME Copper prices fell by 2.4 percent last week to close at $5663/t on Friday following decision by the US fed to hike rates for the second time in three months in June. The Fed added to the hawkish tone saying it would begin cutting its holdings of bonds and other securities this year, signaling its confidence in a growing U.S. economy and strengthening job market.

However, sharp decline was cushioned as supply disruption concerns gained traction after heavy rains in Northern Chile. Operations at the BHP Billiton's Escondida, the world's biggest copper mine had been suspended as a result of snowing.

Also, mining activities at State-run Codelco's Chuquicamata deposit and nearby Radomiro Tomic and Ministro Hales had been suspended as a preventative measure, while Antofagasta said Centinela and Zaldivar suffered intermittent interruptions.

MCX copper prices traded lower by 3.1 percent to close at Rs.365.5 per kg on Friday.

Outlook

LME Copper prices are currently trading higher by 0.3 percent at $5690/t. Prices are expected to trade higher today as recent weak economic data from the US has raised doubts regarding future course of US rate tightening cycle. Besides, consistent decline in LME stocks coupled with favorable economic numbers from China will be supportive.

We expect MCX copper prices to trade higher today.

Technical Outlook — valid for June 19, 2017

COMMODITY (RS/KG)	SUPPORT	RESISTANCE
MCX COPPER JUN'17	363/360	368/371
MCX ZINC JUN'17	161/160	163.50/165
MCX LEAD JUN'17	134/133	136.50/138
MCX ALUMINUM JUN'17	119/118	121.50/123
MCX NICKEL JUN'17	568/560	580/588

Market Highlights – Base Metals (% change) as on June 16, 2017

COMMODITY	LAST	CHANGE	WOW	MOM	YOY
LME Copper (3 month)	5663.0	0.0	-2.4	0.9	19.6
MCX Copper (JUN'17)	365.5	-0.4	-3.1	0.8	14.8
LME Aluminum(3 month)	1874.0	-0.1	-1.8	-2.9	22.2
MCX Aluminum (JUN'17)	120.3	-0.4	-1.9	-2.6	18.9
LME Nickel(3 month)	8935.0	0.4	-0.2	-2.5	3.0
MCX Nickel (JUN'17)	574.7	0.2	-0.3	-1.9	0.0
LME Lead(3 month)	2114.5	0.5	0.5	1.2	18.1
MCX Lead (JUN 17)	135.4	-0.1	0.1	1.4	13.5
LME Zinc(3 month)	2522.5	0.3	-0.7	-1.3	54.8
MCX Zinc (JUN'17)	162.3	0.2	-0.5	-0.5	51.3

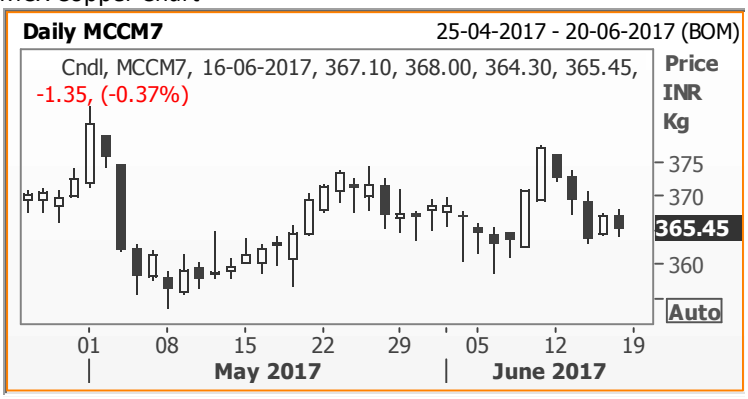
Source: Reuters

LME Inventories in tonnes

COMMODITY	15/6/17	14/6/2017	CHG	%CHG
COPPER	268450	268500	-50	-0.02%
ALUMINIUM	1432825	1436125	-3300	-0.23%
NICKEL	376950	376986	-36	-0.01%
ZINC	314050	316175	-2125	-0.67%
LEAD	175575	176300	-725	-0.41%

Source: Reuters

MCX Copper Chart



Source: Reuters

Economic indicators to be released on 19-Jun-17

INDICATOR	COUNTRY	TIME (IST)	ACTUAL	FORECAST	PREVIOUS	IMPACT
FOMC Member Dudley Speaks	US	5:30am	-	-	-	Medium
German Buba President Weidmann Speaks	Euro	8:30pm	-	-	-	Medium

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