

## Bullion Gold

On Thursday, spot gold prices traded flat to close at \$1296.7 per ounce as a weaker dollar and trade tensions provided support but investor anticipation of a U.S. rate hike from the Federal Reserve next week weighed on prices.

This week, gold prices have been supported by a softer greenback supported dollar-denominated gold after the euro rose to a 10-day high when European Central Bank officials said an end to the bank's bond-buying program by the end of 2018 was plausible.

On the MCX, gold prices rose 1 percent to close at Rs.31193 per 10 gms boosted by Rupee depreciation.

## Silver

Spot silver prices rose marginally yesterday to close at \$16.7 per ounce in line with weakness in the dollar index and positive moves in the gold prices.

On the MCX, silver prices rose 1.4 percent to close at Rs.41091 per kg.

## Outlook

We expect gold prices to trade sideways today as trade tensions between US and China continue to dominate while the possibility of rate hike by the US FED in its June meeting looks very much likely.

On the MCX, gold prices are expected to trade sideways today; international markets are trading flat at \$1296.5 per ounce.

Technical Outlook valid for June 8, 2018

COMMODITY	SUPPORT	RESISTANCE
SPOT GOLD (\$/OZ)	1288/1294	1304/1310
MCX GOLD AUG'18 (Rs/10GMS)	30900/31050	31300/31430
NCDEX GOLD HEDGE JULY'18 (Rs/KG)	27877/28012	28420/28355
SPOT SILVER (\$/OZ)	16.3/16.6	16.9/17.1
MCX SILVER JULY'18 (Rs/KG)	39700/40100	40800/41200

## Market Highlights (% change) as on June 7, 2018

INDICES	LAST	CHANGE	WOW	MOM	YOY
INR/\$ (Spot)	67.4	-0.87	0.0	-0.3	-4.5
Euro/\$(Spot)	1.2	0.20	0.9	-1.0	4.8
Dollar Index	93.4	-0.3	-0.6	0.8	17.5
NIFTY	10768.4	0.78	0.3	0.5	11.6
SENSEX	35463.1	0.81	0.4	0.6	93.9
DJIA	25241.4	0.38	3.4	2.0	19.2
S&P	2770.37	-0.1	2.4	1.7	13.9

## Gold (% change) as on June 7, 2018

COMMODITY	LAST	CHANGE	WOW	MOM	YOY
GOLD (SPOT)	1296.7	0.06	-0.1	-1.8	0.8
GOLD (SPOT - MUMBAI)	30700.0	0.33	-1.0	-1.8	5.1
COMEX	1298.7	0.12	-0.1	-1.7	0.3
MCX(JUNE'18)	31193.0	1.08	1.2	-0.5	6.0

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

## Silver (% change) as on June 7, 2018

COMMODITY	LAST	CHANGE	WOW	MOM	YOY
SILVER (SPOT)	16.7	0.1	1.9	0.0	-5.1
SILVER (SPOT - MUMBAI)	39700.0	0.3	-0.5	0.3	-2.7
COMEX	16.6	0.9	1.5	-0.2	-5.4
MCX Silver	41091.0	1.38	1.4	0.4	0.1

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

Source: Reuters

## Energy

### Crude Oil

WTI oil prices surged around 2 percent on Thursday to close at \$66 per barrel as falling exports from Venezuela amidst threat of US sanctions buoyed prices.

Also, expectations that OPEC may not raise production at its meeting this month added to the upside.

Earlier this week, oil pieces were weighed down on worries that global supply is climbing after U.S. inventories rose unexpectedly and Saudi Arabia and other big producers signalled that they may increase output.

U.S. crude inventories rose 2.1 million barrels in the week to June 1. U.S. crude output hit a record of 10.8 million barrels a day in the week, according to the EIA's weekly report.

OPEC and Russia will meet on June 22/23 to decide whether to increase production. The producers have been considering a supply increase of up to 1 million barrels per day,

On the MCX, oil prices jumped 2.3 percent to close at Rs.4443 per barrel.

### Outlook

We expect oil prices to trade higher today as woes regarding Venezuelan supply will be supportive. OPEC and Russia are meeting this month to revisit their oil output quotas which would be deciding factor for oil markets.

International markets are trading higher by 0.2 percent at \$66.1 per barrel. On the MCX, oil prices are expected to trade higher today.

#### Technical Outlook

valid for June 8, 2018

COMMODITY	SUPPORT	RESISTANCE
NYMEX CRUDE OIL (\$/BBL)	64.5/65.2	66.7/67.7
MCX CRUDE JUNE'18 (RS/BBL)	4340/4390	4490/4550
BRENT CRUDE (\$/BBL)	75.7/76.4	77.9/78.8

### Market Highlights - Crude Oil (% change) as on June 7, 2018

COMMODITY	LAST	CHANGE	WOW	MOM	YOY
BRENT (SPOT)	74.3	2.8	-3.2	-5.4	59.1
NYMEX CRUDE	66.0	1.9	-1.6	-7.6	44.2
ICE BRENT CRUDE	77.3	2.6	-0.3	-0.2	60.9
MCX CRUDE	4443.0	2.3	-1.6	-6.6	49.8

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

Source: Reuters

### Market Highlights - Natural Gas (% change) as on June 7, 2018

COMMODITY	LAST	CHANGE	WOW	MOM	YOY
NYMEX NG	2.9	1.1	-0.6	4.4	-2.8
MCX NG	198.6	2.4	-0.5	5.0	1.1

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

Source: Reuters

## Base Metals

Base metals traded mixed yesterday as weakness in the DX supported the complex while supply concerns in some metals boosted prices further.

MCX base metals traded mixed in line with international markets.

## Copper

LME Copper prices surged 1.6 percent on Thursday to highest since late 2013 as concerns regarding further unrest at the Escondida mine in Chile citing ongoing wage negotiations boosted Copper prices.

On 1<sup>st</sup> June, union at BHP's Escondida mine in Chile began negotiations with a proposal that includes a bonus of about \$34,000 per worker.

Further, weaker DX added an upside to Copper prices.

MCX Copper prices jumped 1.3 percent to close at Rs.487.6/kg in line with international trends.

## Outlook

LME Copper prices are trading flat at \$7246.5/t. Copper prices are likely to trade lower after touching multiyear highs in the previous session but prices will be supported by supply woes coupled with weaker DX.

MCX copper prices are expected to trade lower today in line with international markets.

Technical Outlook valid for June 8, 2018

COMMODITY (RS/KG)	SUPPORT	RESISTANCE
MCX COPPER June'18	481/484	490/494
MCX ZINC June'18	212/213.5	216/217.5
MCX LEAD June'18	167/168.5	170/171.5
MCX ALUMINIUM June'18	152/153.5	156.5/158
MCX NICKEL June'18	1020/1030	1050/1060
MCX BRASS June'18	368/371	378/381

## Market Highlights – Base Metals (% change) as on June 7, 2018

COMMODITY	LAST	CHANGE	WOW	MOM	YOY
LME Copper (3 month)	7332.0	1.6	7.0	6.0	30.4
MCX Copper	487.6	1.3	6.7	5.3	34.0
LME Aluminum (3 month)	2285.0	-2.0	-0.3	-1.1	20.0
MCX Aluminum	155.2	-1.4	0.9	-0.3	26.8
LME Nickel (3 month)	15420.0	-1.4	0.8	11.3	74.9
MCX Nickel	1040.0	-0.3	1.9	11.9	82.8
LME Lead (3 month)	2496.0	-1.4	1.5	8.5	21.0
MCX Lead	168.7	-0.4	2.2	9.1	27.3
LME Zinc (3 month)	3162.5	-0.7	2.0	2.6	29.5
MCX Zinc	214.9	0.4	2.6	3.9	37.0
<b>MCX Brass</b>	374.9	1.3	3.8	4.4	#N/A

Source: Reuters

## LME Inventories in tonnes

COMMODITY	06/06/18	05/06/18	CHG	%CHG
COPPER	310200	306750	3450	1.12%
ALUMINIUM	1180175	1186350	-6175	-0.52%
NICKEL	278790	280116	-1326	-0.47%
ZINC	250975	251275	-300	-0.12%
LEAD	132850	133225	-375	-0.28%

Source: Reuters

## MCX Commodity Options

as on June 7, 2018

COMMODITY	STRIKE PRICE	OPEN	HIGH	LOW	CLOSE	% CHG
Gold call	30800.00	391.50	541.50	391.50	535.50	0.24
Gold put	31000.00	329.50	329.50	211.50	217.00	-0.44
Silver Call	41000.00	182.50	310.00	182.50	254.50	0.36
Silver Put	40000.00	429.00	429.00	209.00	259.50	-0.41
Crude oil Call	4400.00	60.70	97.00	52.80	90.60	0.71
Crude oil Put	4400.00	94.90	98.80	45.60	48.00	-0.58
Copper Call	500.00	4.60	7.90	3.51	6.48	3.02
Copper Put	475.00	6.00	6.40	4.26	5.07	-0.28

## Economic indicators to be released on 8-Jun-18

INDICATOR	COUNTRY	TIME (IST)	ACTUAL	FORECAST	PREVIOUS	IMPACT
G7 Meetings	All	Day 1	-	-	-	High

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