

Source: Reuters, Angel Commodities Research

Currencies

The European Central Bank finally admitted that the committee did have a preliminary round of talk on tapering which resulted into Euro making a new high in two years. Mario Draghi, the ECB president, feels that now it's the US Federal Reserve's turn to make some noteworthy move which the markets feel otherwise. With the recent dismal performance seen in the US equities (S&P 500 down by 0.61% last week) and the US Dollar Index (down by 1.60% last week), the possibility of a rate hike is less.

About the ongoing tensions in the Korean Peninsula, markets were relieved as North Korea marked its Foundation Day (9/8/17) with a party rather than another missile launch. However, with the US calling for a UN Security Council vote on further sanctions against North Korea today the risks of Korea retaliating remains high.

Last week, GBPINR surged by more than 1 percent on account of UK's robust manufacturing production results which beat expectations. Monthly production improved from 0% to 0.5%, while the yearly figure jumped from 0.6% to 1.9%. USDINR spot appreciated by 0.37 percent last week due to weak US Dollar Index and persistent selling of the US Dollar by exporters and banks.

In the coming week, USDINR spot is expected to appreciate further towards 63.70 levels. The UN Security Council will discuss about imposing sanctions on N. Korea today which shall result some kind of retaliations affecting the US Dollar Index in turn. GBPINR spot, on the other hand, will surge towards 84.50 levels. Today the UK government shall vote on the Great Repeal Bill in the parliament. Also, markets indulge in speculation prior to the BOE Monetary Policy Meeting that is scheduled to take place later in the day.

Currency	Weekly Trend Deciding levels			
	S1	S2	R1	R2
USDINR Sep	63.40	63.00	64.30	64.80
EURINR Sep	76.80	76.00	78.70	80.00
GBPINR Sep	83.70	82.80	85.20	86.50
JPYINR Sep	58.50	57.20	60.50	62.00

Commodities

Gold

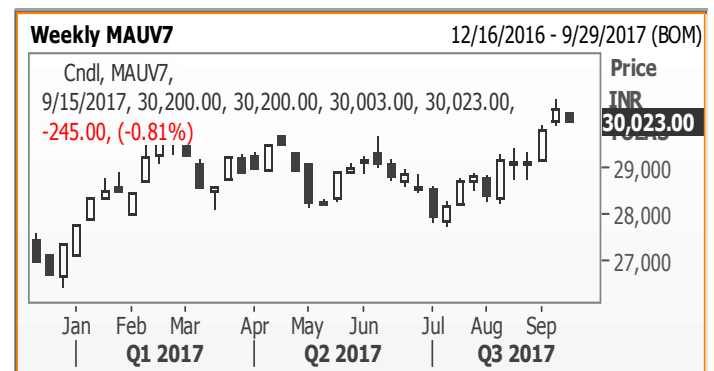
Spot gold prices rose by 1.6 percent last week to close at \$1346.3 per ounce while MCX, gold prices rose by 1.5 percent to close at Rs.30434 per 10 gms.

Weak dollar index and weak US jobs data coupled with unchanged growth and inflation outlook from the ECB. The U.S dollar was also driven lower by a Federal Reserve official's comments about low U.S. inflation, hit a one-week low against the Japanese yen and was on track for its biggest decline in eight days against a basket of currencies.

The number of Americans filing for unemployment benefits jumped to its highest in more than two years last week amid a surge in applications in hurricane-ravaged Texas, sending the dollar lower.

Continuing tensions with North Korea over its nuclear tests provided further support for safe-haven gold.

For the week, we expect gold prices to trade higher towards Rs.30700 per 10 gms.



Copper

LME Copper prices slipped from three year highs of \$6949/t last week as profit booking ahead of ECB press conference and North Korea's probable missile test, weighed on prices. Besides, Chinese imports did not show any significant upside as unwrought copper inward shipments totalled 390,000 tonnes in August, for the third month in a row.

Still, LME Copper fell by 2.1 percent, the least amongst base metals as dollar weakened sharply after ECB President Draghi signalled a near end to its cheap monetary policy. Draghi said that ECB is working on idea to wind up its easy money policies, an enormous stimulus program aimed at promoting growth and inflation in the Eurozone.

Besides, stock decline at both LME and Shanghai warehouses is acting as a cushion. LME stocks plunged by 5 percent while Shanghai inventories fell by around 6 percent last week.

Further, prospects of tighter supply supported the red metal.

World's biggest Copper producer, Chile's Codelco, said first half production from its eight copper operations fell by 5.3% to 798kt from 843kt during the first six months of 2016.

MCX Copper closed lower by 2.5 percent last week in line with international trends.

Copper prices are likely to trade sideways this week as UN vote on fresh sanctions to be imposed on North Korea due today will be cautiously watched across the globe. Besides, crucial data releases from the US and China will keep investors at bay.



Commodity	Weekly Trend Deciding levels				Trend
	S1	S2	R1	R2	
Gold Oct	30000	29700	30700	31000	Up
Spot Gold \$	1334	1321	1360	1375	Up
Silver Sep	40800	40100	42300	43000	Up
Spot Silver \$	17.40	17.00	18.40	18.80	Up
Copper Aug	425	419	437	444	Down
LME Copper	6600	6510	6790	6880	Down
Crude oil Sep	2970	2890	3130	3210	Sideways
Crude Oil \$	46.38	45.13	48.72	50.00	Sideways
Natural Gas	180	174	191	197	Down
Natural Gas \$	2.81	2.72	2.98	3.08	Down

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Oil

WTI oil prices rose 2.1 percent last week to close at \$47.5 per barrel while MCX oil prices rose 0.8 percent to close at Rs.3045 per barrel.

The U.S. Energy Information Administration said on Thursday U.S. weekly crude stocks increased 4.6 million barrels last week, topping analysts' forecast for a 4.0-million-barrel build in a Reuter's poll. Reflecting the impact of Harvey which hit the Gulf Coast on Aug. 25, the EIA said U.S. oil refinery utilization rates slumped 16.9 percentage points to 79.7 percent last week, the lowest rate since 2010.

Texas was edging towards recovery from the devastation of Harvey that hit its coast late on Aug. 25, as shipping channels, oil pipelines and refineries restarted some operations. At its peak, the hurricane knocked out almost a quarter of all U.S. refining capacity.

For the week, we expect oil prices to move lower towards Rs.2890 mark.

