



COMMODITY REPORT

05 January 2017

ECONOMIC/GLOBAL NEWS

- Oil futures finished higher, with signs that major oil producers are sticking to their pledge to cut output and bets that U.S. crude supplies fell for the first time in three weeks helping prices recoup most of the prior day's drop. The American Petroleum Institute reported a much bigger-than-expected drop of 7.4 million barrels in U.S. crude supplies for the week ended Dec. 30. February West Texas Intermediate crude rose 93 cents, or 1.78%, to settle at \$53.26 a barrel on the New York Mercantile Exchange. MCX Crude Oil January expiry closed at Rs. 3621 per barrel, up 0.86%.
- China services index continued to expand in December, with a PMI score of 53.4. That's up from 53.1 in November.
- The pace of further interest rate hikes may speed up if the jobs market continues to improve, according to the minutes of the December meeting of the Federal Open Market Committee. At the December 13-14 meeting, the FOMC raised interest rates for only the second time in a decade by a quarter-percentage point to 0.50%-0.75%, with policy makers also predicting two or three additional rate hikes in 2017. However, "A number of risks" might call for "different path" than present course of gradual rate hikes, the minutes revealed.
- U.S. auto makers sold 1.69 million vehicles in December, 3.1% more than the same period in 2015 despite one fewer sales day. The seasonally adjusted selling pace of 18.43 million was the highest since July 2005.
- U.K. Markit and the CIPS said that their construction PMI rose to a seasonally adjusted 54.2 last month from November's reading of 52.8.
- Eurozone inflation increased more-than-expected to 1.1% in December from 0.6% in November. Core inflation rose slightly to 0.9% from 0.8%.
- Eurozone composite output index rose to 54.4 in December from 53.9 in November. The services PMI climbed to 53.7 from 53.8 a month ago. The flash score was 53.1.
- Germany's final composite PMI rose to 55.2 from 55.0 in November. The flash reading was 54.8. On the other hand, final services PMI dropped to 54.3 from 55.1 in November.
- France's final composite PMI improved more than initially estimated to 53.1 from 51.4 a month ago. The flash reading was 52.8. The services PMI came in at 52.9, up from 51.6 in November and above the flash 52.6.
- French consumer confidence index came in at 99.0 in December, the same reading as in November, which was revised up from 98.0.
- Japan Nikkei services sector continued to expand in December, with a PMI score of 52.3. That's up from 51.8 in November.
- India's Nikkei services PMI rose slightly to 46.8 in December from 46.7 in November.

Index	04-Jan-17	03-Jan-17	Pts. Ch.	% Change
Dow	19942.16	19881.76	60.40	0.30
Nifty	8190.50	8192.25	-1.75	-0.02
Sensex	26633.13	26643.24	-10.11	-0.04
USD/INR	68.05	68.33	-0.28	-0.41
Dollar Index	102.71	103.20	-0.49	-0.47
Euro/\$1US	1.0488	1.0406	0.0082	0.79
\$1US/Yen	117.27	117.75	-0.48	-0.41
Pound/\$1US	1.2322	1.2239	0.0083	0.68

Market Update

- U.S. stocks closed just shy of record levels following the release of the Federal Reserve's policy minutes from its December meeting and a strong showing in auto sales. The S&P 500 index closed up 12.92 points, or 0.6%, to 2,270.75. Meanwhile, the Nasdaq Composite Index closed up 47.92 points, or 0.9%, at 5,477.00.
- Indian market settled with tiny losses after a volatile and lackluster session with movement of indices restricting within a small range around the flat line.

Currency Update

- The U.S. dollar fell, pulling back from a 14-year high following the release of commentary from the Federal Reserve. The WSJ Dollar fell 0.5% to 93.07. The ICE dollar index fell 0.5% to 102.66, though it earlier fell to a low of 102.39. The euro rose to \$1.0479 from \$1.0406. The pound was at \$1.2319 from \$1.2232. The yen also rose, with the dollar fetching ¥117.38, down from ¥117.71.
- The rupee made a roaring comeback after a two-day downfall against the American currency and ended higher by 28 paise at 68.05. At the Interbank Foreign Exchange (Forex) market, the domestic unit commenced slightly better at 68.29 a dollar from overnight close of 68.33. It finally settled at the day's highest level of 68.05, revealing a smart gain of 28 paise, or 0.41%. The RBI fixed the reference rate for the dollar at 68.1791.

Name of the ETF	Holdings In Tonnes As		%Ch
	04-Jan-17	03-Jan-17	
SPDR Gold ETF	813.87	813.87	0.00
iShares Silver Trust	10612.51	10617.12	-0.04

Symbol	04-Jan-17		Ratio
	Close	Close	
Gold v/s Silver	1165	16.552	70.40
Gold v/s Crude Oil	1165	53.26	21.88

LME Inventories (In Tonnes)				
Base Metals	04-Jan-17	03-Jan-17	Change	% Change
Aluminum	2196475	2202175	-5700	-0.26
Copper	305875	311825	-5950	-1.91
Nickel	371724	372066	-342	-0.09
Lead	193900	194725	-825	-0.42
Zinc	427850	427850	0	0.00

Bullion	Closing		% Ch
	04-Jan-17	03-Jan-17	
Gold Feb MCX	27682	27778	-0.35
Gold Feb Comex	1165	1162	0.28
Silver Mar MCX	40267	40270	-0.01
Silver Mar Comex	16.552	16.409	0.87
Energy			
Crude Oil Jan MCX	3621	3590	0.86
Crude Feb Nymex	53.26	52.33	1.78
Natural Gas Jan MCX	221.10	228.90	-3.41
Nat. Gas Feb Henry Hub	3.267	3.327	-1.80

Base Metals	Closing		% Ch
	04 - Jan-17	03 - Jan-17	
Aluminium Jan	114.95	115.25	-0.26
Copper Feb	384.05	376.60	1.98
Nickel Jan	697.10	683.80	1.95
Lead Jan	141.25	137.90	2.43
Zinc Jan	178.20	172.15	3.51

ECONOMIC CALENDER

Thursday Jan 05, 2017					
Time	Country	Event	Actual	Forecast	Previous
1:30 AM	U.S.	Total Vehicle Sales	18.43M	17.69M	17.87M
3:05 AM	U.S.	API Weekly Crude Oil Stock	-7.400M	-1.700M	4.200M
7:15 AM	China	Caixin Services PMI (Dec)	53.4	53.3	53.1
2:40 PM	Eurozone	Retail PMI			48.6
3:00 PM	U.K.	Services PMI (Dec)		54.7	55.2
3:30 PM	Eurozone	PPI (YoY) (Nov)		0.1%	-0.4%
3:30 PM	Eurozone	PPI (MoM) (Nov)		-0.1%	0.8%
6:45 PM	U.S.	ADP Nonfarm Employment Change (Dec)		170K	216K
7:00 PM	U.S.	Continuing Jobless Claims		2,051K	2,102K
7:00 PM	U.S.	Initial Jobless Claims		260K	265K
8:15 PM	U.S.	Markit Composite PMI (Dec)			53.7
8:15 PM	U.S.	Services PMI (Dec)		53.4	53.4
8:30 PM	U.S.	ISM Non-Manufacturing PMI (Dec)		56.6	57.2
9:00 PM	U.S.	Natural Gas Storage		-82B	-237B
9:30 PM	U.S.	Crude Oil Inventories		-2.152M	0.614M
9:30 PM	U.S.	EIA Weekly Distillates Stocks		1.100M	-1.881M
9:30 PM	U.S.	Gasoline Inventories		1.786M	-1.593M

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