



# COMMODITY REPORT

09 January 2017

## ECONOMIC/GLOBAL NEWS

- Oil futures finished modestly higher, with prices extending their streak of gains to a fourth straight week amid ongoing signs of compliance with a global pact to cut production. February West Texas Intermediate crude rose 23 cents, or 0.43%, to settle at \$53.99 a barrel on the New York Mercantile Exchange. MCX Crude Oil January expiry closed at Rs. 3682 per barrel, up 1.27%.
- China's foreign exchange reserves fell \$41.1 billion at the end of 2016 from prior month to \$3.01 trillion in December as the central bank intervened to curb the weakness in the yuan.
- China's central bank raised the daily reference rate of the yuan by the most since mid 2005. The People's Bank of China fixed the yuan reference rate at 6.8668 against the U.S. dollar, versus 6.930.
- U.S. trade deficit widened to \$45.2 billion in November from a revised \$42.4 billion in October.
- U.S. non-farm payroll employment climbed by 156,000 jobs in December, while economists had expected an increase of about 175,000 jobs. Additionally, the private sector created less of the new job contracts than expected in December with a total of 144,000. The report also said the unemployment rate inched up to 4.7% in December from 4.6% in November.
- U.S. factory orders tumbled by 2.4% in November after spiking by a revised 2.8% in October.
- Eurozone retail sales fell a seasonally adjusted 0.4% month-over-month in November, reversing a 1.4% rise in October. On a yearly basis, retail sales growth eased to 2.3% in November from 3.0% in the prior month, revised from 2.4%.
- Eurozone economic sentiment index improved to 107.8 in December from 106.6 in November. The industrial sentiment index turned positive in December, to 0.1 from -1.1 in the prior month. The services confidence index climbed to 12.9 from 12.2 a month ago. The consumer sentiment index came in at -5.1, versus -6.2 in November. The business confidence index rose to 0.79, the highest since July 2011, from 0.41 in November.
- Germany's retail sales dropped a calendar-and-seasonally-adjusted 1.8% in November from October, when they rose a revised 2.5%. On a year-on-year basis, however, retail sales grew 3.2% in November.
- Germany's factory orders dropped 2.5% in November from October, when orders grew by revised 5%.
- French current account deficit dropped to EUR 2.3 billion in November from EUR 3.2 billion in October.
- French trade deficit declined more-than-expected to EUR 4.37 billion in November from EUR 5.15 billion in October. Exports increased 5.3% from prior month to EUR 38.81 billion in November. Likewise, imports grew 2.8% to EUR 43.18 billion.

Index	06-Jan-17	05-Jan-17	Pts. Ch.	% Change
<b>Dow</b>	19963.80	19899.29	<b>64.51</b>	<b>0.32</b>
<b>Nifty</b>	8243.80	8273.80	<b>-30.00</b>	<b>-0.36</b>
<b>Sensex</b>	26759.23	26878.24	<b>-119.01</b>	<b>-0.44</b>
<b>USD/INR</b>	67.97	67.96	<b>0.01</b>	<b>0.01</b>
<b>Dollar Index</b>	102.21	101.53	<b>0.68</b>	<b>0.67</b>
<b>Euro/\$1US</b>	1.0533	1.0607	<b>-0.0074</b>	<b>-0.70</b>
<b>\$1US/Yen</b>	116.92	115.36	<b>1.56</b>	<b>1.35</b>
<b>Pound/\$1US</b>	1.2287	1.2418	<b>-0.0131</b>	<b>-1.05</b>

### Market Update

- Modest gains on Wall Street pushed the S&P 500 and Nasdaq Composite to record levels; while the Dow closed a fraction below the closely watched 20,000 level, following a December U.S. jobs report that investors interpreted as generally positive. The S&P 500 closed 7.98 points, or 0.4%, higher at 2,276. The Nasdaq Composite advancing 33.12 points, or 0.6%, to 5,521.06.
- Trading for the first week of a new year ended on a sour note as Indian market declined as profit booking kicked in on lower European stocks after a rally in previous few trading sessions.

### Currency Update

- The dollar rallied against its major rivals, turning firmly higher for the week as the latest reading on the labor market underscored the belief that inflation could be poised to return to the market. The ICE Dollar Index added 0.7% to 102.26. The WSJ Dollar index climbed 1.1% to 92.85 on the day. Against the yen, the greenback was trading at ¥117.05, compared with ¥115.34, a move of 1.4%. The euro weakened to \$1.0553 from \$1.0598 while the pound tumbled to \$1.2270 from \$1.2413, a drop of 1.2%.
- The rupee ended steady at 67.97 against the US dollar amid renewed selling in domestic equities against the backdrop of sustained capital outflows. The domestic unit opened firmly higher at 67.85 from Thursday's closing value of 67.96 at the Interbank Foreign Exchange market and strengthened further to 67.80 following fresh dollar sales by exporters and foreign banks. The local currency taking a reversal to hit a low of 68.04 in afternoon deals, though it later managed to recoup all its early losses and ended steady at 67.96. The RBI fixed the reference rate for the dollar at 67.9522.

Name of the ETF	Holdings In Tonnes As		%Ch
	06-Jan-17	05-Jan-17	
<b>SPDR Gold ETF</b>	813.59	813.59	<b>0.00</b>
<b>iShares Silver Trust</b>	10612.51	10612.51	<b>0.00</b>

Symbol	06-Jan-17		Ratio
	Close	Close	
<b>Gold v/s Silver</b>	1173	16.519	<b>71.03</b>
<b>Gold v/s Crude Oil</b>	1173	53.99	<b>21.73</b>

LME Inventories (In Tonnes)				
Base Metals	06-Jan-17	05-Jan-17	Change	% Change
<b>Aluminum</b>	2217025	2222450	<b>-5425</b>	<b>-0.24</b>
<b>Copper</b>	295125	301775	<b>-6650</b>	<b>-2.20</b>
<b>Nickel</b>	370920	370920	<b>0</b>	<b>0.00</b>
<b>Lead</b>	193700	193875	<b>-175</b>	<b>-0.09</b>
<b>Zinc</b>	427600	427675	<b>-75</b>	<b>-0.02</b>

Bullion	Closing		% Ch
	06-Jan-17	05-Jan-17	
<b>Gold Feb MCX</b>	27887	27948	<b>-0.22</b>
<b>Gold Feb Comex</b>	1173	1181	<b>-0.67</b>
<b>Silver Mar MCX</b>	40342	40448	<b>-0.26</b>
<b>Silver Mar Comex</b>	16.519	16.637	<b>-0.71</b>
<b>Energy</b>			
<b>Crude Oil Jan MCX</b>	3682	3636	<b>1.27</b>
<b>Crude Feb Nymex</b>	53.99	53.76	<b>0.43</b>
<b>Natural Gas Jan MCX</b>	224.30	218.60	<b>2.61</b>
<b>Nat. Gas Feb Henry Hub</b>	3.285	3.273	<b>0.37</b>

Base Metals	Closing		% Ch
	06 - Jan-17	05 - Jan-17	
<b>Aluminium Jan</b>	116.65	115.50	<b>1.00</b>
<b>Copper Feb</b>	383.55	380.45	<b>0.81</b>
<b>Nickel Jan</b>	700.50	696.10	<b>0.63</b>
<b>Lead Jan</b>	140.60	138.60	<b>1.44</b>
<b>Zinc Jan</b>	178.05	177.00	<b>0.59</b>

## ECONOMIC CALENDER

Monday Jan 09, 2017					
Time	Country	Event	Actual	Forecast	Previous
12:30 PM	Germany	<b>German Exports (MoM) (Nov)</b>		0.5%	0.5%
12:30 PM	Germany	<b>German Imports (MoM) (Nov)</b>		0.2%	1.3%
12:30 PM	Germany	<b>German Industrial Production (MoM) (Nov)</b>		0.6%	0.3%
12:30 PM	Germany	<b>German Trade Balance (Nov)</b>		21.2B	20.5B
2:00 PM	U.K.	<b>Halifax House Price Index (YoY) (Dec)</b>		5.8%	6.0%
2:00 PM	U.K.	<b>Halifax House Price Index (MoM) (Dec)</b>		0.2%	0.2%
3:00 PM	Eurozone	<b>Sentix Investor Confidence (Jan)</b>		12.5	10.0
3:30 PM	Eurozone	<b>Unemployment Rate (Nov)</b>		9.8%	9.8%

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