



COMMODITY REPORT

12 January 2017

ECONOMIC/GLOBAL NEWS

- Oil futures settled with a gain of nearly 3%, buoyed by signs of Saudi compliance with the output cut agreement. February West Texas Intermediate crude rose \$1.43, or 2.8%, to settle at \$52.25 a barrel on the New York Mercantile Exchange. MCX Crude Oil February expiry closed at Rs. 3589 per barrel, up 2.16%.
- The Energy Information Administration reported that domestic crude-oil supplies rose by 4.1 million barrels for the week ended Jan. 6. Gasoline supplies also rose by 5 million barrels and distillate stockpiles jumped up by 8.4 million barrels, according to the EIA.
- Donald Trump took on US and international media in a testy press conference. Shares in large pharmaceutical makers plummeted when Trump accused them of price gouging and moving their businesses offshore. The industry is "getting away with murder... They supply our drugs but they don't make them here, to a large extent," he said. A big question since his election has been, how will Trump handle his huge real estate business while president. On Wednesday came the definitive answer: Trump said he had signed documents "turning over complete and total control to my sons," Don Jr and Eric. The actions "will sever President-elect Trump's presidency from the Trump Organization," said his attorney, Sheri Dillon. She said the business would strike no foreign deals during Trump's mandate. Trump, as key shareholder, will only receive an annual report on the operation.
- U.K. trade in goods showed a deficit of GBP 12.2 billion in November versus a shortfall of GBP 9.9 billion in October.
- U.K. industrial production climbed 2.1% in November from October, when production eased 1.1%. Similarly, manufacturing output climbed 1.3% in contrast to prior month's 1% decrease. Year-on-year, industrial output rebounded 2% after falling 0.9% in October. Likewise, manufacturing output expanded 1.2%, reversing October's 0.5% decrease.
- Japan had a current account surplus of 1.415 trillion yen in November - up 28.0% on year, down from 1.719 trillion yen in October.
- South Korea's seasonally adjusted jobless rate dropped to 3.4% in December from 3.6% in November. On an unadjusted basis, the jobless rate rose slightly to 3.2% in December from 3.1% a month ago. The number of unemployed people grew to 867,000 in December from 854,000 in the preceding month. A year ago, the jobless figure totaled 868,000.
- Greece's consumer price index showed no variations in December from a year ago, following a 0.9% decline in the prior month. On a monthly basis, consumer prices grew 1.0% in December, in contrast to a 1.2% decrease in November.
- Spain's industrial production climbed 3.2% in November on a yearly basis after expanding 0.6% a month ago. On an unadjusted basis, industrial output rebounded 4.6% in November in contrast to October's 2.3% drop.
- Brazil's monetary policy committee decided to slash its Selic rate by 75 basis points to 13.00% from 13.75%. The bank was expected to cut the rate by 50 basis points.
- Brazil's consumer price index rose 6.29% year-on-year following 5.97% increases in November. Compared to the previous month, the CPI rose 0.30% from November after a 0.18% gain in November.

Index	11-Jan-17	10-Jan-17	Pts. Ch.	% Change
Dow	19954.28	19855.53	98.75	0.50
Nifty	8380.65	8288.60	92.05	1.11
Sensex	27140.41	26899.56	240.85	0.90
USD/INR	68.33	68.18	0.14	0.21
Dollar Index	101.75	102.00	-0.25	-0.25
Euro/\$1US	1.0582	1.0554	0.0028	0.27
\$1US/Yen	115.41	115.77	-0.36	-0.31
Pound/\$1US	1.2212	1.2177	0.0035	0.29

Market Update

- The Dow Jones Industrial Average closed less than 50 points from the psychologically-important 20,000 mark following President-elect Donald Trump's first news conference in months. The Nasdaq also extended gains to its fifth straight record close. The Nasdaq Composite added 11.83 points, or 0.2%, to finish at a record 5,563.65. The S&P 500 index gained 6.42 points, or 0.3%, to end at 2,275.32.
- Indian market registered strong gains on positive global cues. The Sensex settled above the psychological 27,000 level after crossing that level in early trade.

Currency Update

- The U.S. dollar reversed gains and weakened against major rivals Wednesday as investors appeared disappointed after Donald Trump didn't address fiscal and tax policies during his first formal news conference as U.S. president-elect. The U.S. ICE Dollar Index was up as much as 0.8%, but fell 0.3% to 101.66. Meanwhile, the WSJ Dollar Index was up 0.3% at 92.41. Against its Japanese counterpart, the dollar weekend, changing hands at ¥115.32, down from ¥115.81. The dollar weakened against the euro, with the single currency changing hands at \$1.0584, up from \$1.0553. In other currency trade, the pound briefly hit a 10-week low at \$1.2096. Sterling later recovered and strengthened against the dollar, trading \$1.2210, up slightly from \$1.2165.
- The rupee once again turned shaky against the US dollar and fell by 14 paise to close at 68.33 per dollar. The rupee opened lower at 68.25 as against previous close of 68.18 at the Interbank Foreign Exchange (Forex) market. It kept descending after a brief range-bound and hit an intra-day low of 68.3525 before ending at 68.33, showing a steep loss of 14 paise, or 0.21%. The RBI fixed the reference rate for the dollar at 68.2276.

Name of the ETF	Holdings In Tonnes As		%Ch
	11-Jan-17	10-Jan-17	
SPDR Gold ETF	805.00	805.00	0.00
iShares Silver Trust	10524.06	10612.51	-0.83

Symbol	11-Jan-17		Ratio
	Close	Close	
Gold v/s Silver	1197	16.828	71.11
Gold v/s Crude Oil	1197	52.25	22.90

Bullion	Closing		% Ch
	11-Jan-17	10-Jan-17	
Gold Feb MCX	28300	28144	0.55
Gold Feb Comex	1197	1186	0.94
Silver Mar MCX	41008	41096	-0.21
Silver Mar Comex	16.828	16.848	-0.12
Energy			
Crude Oil Jan MCX	3589	3513	2.16
Crude Feb Nymex	52.25	50.82	2.81
Natural Gas Jan MCX	223.10	224.60	-0.67
Nat. Gas Feb Henry Hub	3.224	3.278	-1.65

LME Inventories (In Tonnes)

Base Metals	11-Jan-17	10-Jan-17	Change	% Change
Aluminum	2243775	2232725	11050	0.49
Copper	288225	293400	-5175	-1.76
Nickel	371928	371964	-36	-0.01
Lead	193050	193300	-250	-0.13
Zinc	425150	426425	-1275	-0.30

Base Metals	Closing		% Ch
	11 - Jan-17	10 - Jan-17	
Aluminium Jan	119.55	119.05	0.42
Copper Feb	393.25	395.15	-0.48
Nickel Jan	688.60	721.00	-4.49
Lead Jan	145.80	148.85	-2.05
Zinc Jan	183.60	185.15	-0.84

ECONOMIC CALENDER

Thursday Jan 12, 2017

Time	Country	Event	Actual	Forecast	Previous
5:20 AM	Japan	Adjusted Current Account	1.80T	1.48T	1.93T
5:20 AM	Japan	Current Account n.s.a. (Nov)	1.416T	1.500T	1.720T
1:15 PM	France	French CPI (MoM)		0.3%	0.3%
2:30 PM	Germany	German GDP Annual (12M)		1.80%	1.70%
3:30 PM	Eurozone	Industrial Production (YoY) (Nov)		1.6%	0.6%
3:30 PM	Eurozone	Industrial Production (MoM) (Nov)		0.5%	-0.1%
5:30 PM	India	CPI (YoY) (Dec)		3.57%	3.63%
5:30 PM	India	Cumulative Industrial Production (Nov)			-0.30%
5:30 PM	India	Industrial Production (YoY) (Nov)		1.3%	-1.9%
5:30 PM	India	Manufacturing Output (MoM) (Nov)			-2.4%
7:00 PM	U.S.	Continuing Jobless Claims		2,118K	2,112K
7:00 PM	U.S.	Export Price Index (MoM) (Dec)		0.1%	-0.1%
7:00 PM	U.S.	Import Price Index (MoM) (Dec)		0.7%	-0.3%
7:00 PM	U.S.	Initial Jobless Claims		255K	235K
9:00 PM	U.S.	Natural Gas Storage		-144B	-49B

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