



COMMODITY REPORT

01 September 2017

ECONOMIC/GLOBAL NEWS

- Natural-gas prices followed energy peers higher as a weekly EIA report revealed a rise in U.S. supplies of the commodity that generally met with market expectations. Natural gas for October rose 10.1 cents, or 3.44%, to \$3.04 per million British thermal units. The U.S. Energy Information Administration showed that domestic supplies of natural gas rose by 30 billion cubic feet for the week ended Aug. 25. Total stocks now stand at 3.155 trillion cubic feet, down 239 billion cubic feet from a year ago, but 8 billion cubic feet above the five-year average, the government said. MCX Natural Gas September expiry closed at Rs. 194.80 per British thermal unit, up 3.12%.
- China Caixin manufacturing sector continued to expand in August, with a manufacturing PMI score of 51.6. That's up from 51.1 in July.
- U.S. initial jobless claims inched up to 236,000 in the week ended August 26th; an increase of 1,000 from the previous week's revised level of 235,000. Continuing claims fell by 12,000 to 1.942 million in the week ended August 19th.
- U.S. pending home sales index fell by 0.8% to 109.1 in July from a downwardly revised 110.0 in June.
- Chicago-area MNI Indicators said its Chicago business barometer came in at 58.9 in August, unchanged from July.
- Eurozone inflation accelerated to 1.5% in August from 1.3% in July. Core inflation held steady at 1.2% in August.
- Eurozone jobless rate held steady at 9.1% in July, the lowest since February 2009. The number of unemployed increased by 73,000 from June to 14.860 million in July.
- Germany's unemployment decreased by 5,000 in August from July. The jobless rate held steady at 5.7% in August, the lowest since the reunification in 1990.
- Germany's retail sales grew 2.7% year-on-year in July, slightly faster than the revised 2.6% increase seen in June. On a monthly basis, retail sales expanded unexpectedly by 1.2% after rising 1.3% in June.
- France's consumer price inflation rose to 0.9% in August, from 0.7% in July. Month-on-month, consumer prices climbed 0.5% after falling 0.3% in July.
- France's producer prices in the domestic market edged up 0.1% month-on-month in July, in contrast to a 0.3% drop in June. On a yearly basis, prices advanced 1.5%.
- Japan manufacturing sector continued to expand in August, with a manufacturing PMI score of 52.2. That's up from 52.1 in July.
- India's gross domestic product grew 5.7% year-on-year in the June quarter, from 6.1% logged in the previous quarter.
- India's annual infrastructure output growth accelerated to 2.4% in July. The output grew a revised 0.8% year-on-year in June. For April-July, the annual output growth was 2.5%. Electricity production grew 5.4% in July from a year ago, faster than a 2.2% rise in June. Steel output in July was 9.2% on year compared with a 5.8% growth a month ago.
- India's fiscal deficit in July end came at Rs 5.05 lakh crore or 92.4% of the budgetary estimates for 2017-18 as against 73.7% in the corresponding period last fiscal.

Index	31-Aug-17	30-Aug-17	Pts. Ch.	% Change
Dow	21948.10	21892.43	55.67	0.25
Nifty	9917.90	9884.40	33.50	0.34
Sensex	31730.49	31646.46	84.03	0.27
USD/INR	63.90	64.02	-0.12	-0.18
Dollar Index	92.59	92.82	-0.23	-0.25
Euro/\$1US	1.1909	1.1883	0.0026	0.22
\$1US/Yen	110.13	110.23	-0.10	-0.09
Pound/\$1US	1.2939	1.2926	0.0013	0.10

Market Update

- U.S. stocks advanced, with the main indexes posting their fifth consecutive monthly gain. Meanwhile, a rally in biotech shares pushed the Nasdaq Composite into record territory. The Nasdaq Composite added 60.35 points, or 1%, to 6,428.66. The S&P 500 closed 14.06 points, or 0.6%, higher at 2,471.64.
- Indian market settled with small gains after a volatile trading session as firmness in European stocks perked up indices in the latter half of the session. Volatility was witnessed due to expiry of near month futures & options contracts on, 31 August 2017. Indices gained for the second straight day.

Currency Update

- The U.S. dollar slipped into negative territory against its major rivals after Treasury Secretary Steven Mnuchin shrugged off dollar weakness, suggesting a weaker buck may be good for trade. The ICE U.S. Dollar Index lower on the day. The index had climbed up to 93.342, but since retreated to 92.6500, lower than 92.8860. The WSJ Dollar Index was 0.2% lower at 85.73. The euro reversed its losses from earlier in the day and rose to \$1.1905, up from \$1.1884. The British pound also improved, trading at \$1.2929 against the greenback, compared with Wednesday's \$1.2925. Elsewhere, the dollar slipped against the Japanese yen as it lost ground against its major competitors, falling to ¥109.96 versus ¥110.24.
- The rupee staged a recovery to end at a fresh three-week high of 63.90 against the American currency by gaining a good 12 paise on bouts of dollar unwinding from exporters and corporates. The domestic unit resumed marginally weaker at 64.03 against overnight close of 64.02 at the Interbank Foreign Exchange (Forex) market on month-end demand for the American currency from importers and banks amid strong dollar overseas. After hitting a low of 64.0650 in mid-morning deals, the local unit suddenly reversed its trend to regain strength. It touched a high of 63.89 towards the fag-end trade before concluding at 63.90, showing a gain of 12 paise, or 0.18%. The RBI fixed the reference rate for the dollar at 64.0154.

Name of the ETF	Holdings In Tonnes As		%Ch
	31-Aug-17	30-Aug-17	
SPDR Gold ETF	816.43	816.43	0.00
iShares Silver Trust	10318.94	10363.03	-0.43

Symbol	31-Aug-17		Ratio
	Close	Close	
Gold v/s Silver	1322	17.575	75.23
Gold v/s Crude Oil	1322	47.23	27.99

Bullion	Closing		% Ch
	31-Aug-17	30-Aug-17	
Gold Oct MCX	29745	29555	0.64
Gold Dec Comex	1322	1314	0.62
Silver Dec MCX	40700	40453	0.61
Silver Dec Comex	17.575	17.503	0.41
Energy			
Crude Oil Sep MCX	3038	2957	2.74
Crude Oct Nymex	47.23	45.96	2.76
Natural Gas Sep MCX	194.80	188.90	3.12
Nat. Gas Oct Henry Hub	3.040	2.939	3.44

LME Inventories (In Tonnes)

Base Metals	31-Aug-17	30-Aug-17	Change	% Change
Aluminum	1323150	1324325	-1175	-0.09
Copper	228450	223050	5400	2.42
Nickel	389154	386550	2604	0.67
Lead	148675	148675	0	0.00
Zinc	244175	245375	-1200	-0.49

Base Metals	Closing		% Ch
	31-Aug-17	30-Aug-17	
Aluminium Sept	135.55	133.30	1.69
Copper Nov	440.80	438.90	0.43
Nickel Sept	754.80	743.00	1.59
Lead Sept	152.90	151.80	0.72
Zinc Sept	201.85	197.30	2.31

ECONOMIC CALENDER

Friday September 01 2017

Time	Country	Event	Actual	Forecast	Previous
6:00 AM	Japan	Manufacturing PMI (Aug)	52.2	52.8	52.8
7:15 AM	China	Caixin Manufacturing PMI (Aug)	51.6	50.9	51.1
10:30 AM	India	Nikkei Markit Manufacturing PMI (Aug)		49.3	47.9
1:20 PM	France	French Manufacturing PMI (Aug)		55.8	55.8
1:25 PM	Germany	German Manufacturing PMI (Aug)		59.4	59.4
1:30 PM	Eurozone	Manufacturing PMI (Aug)		57.4	57.4
2:00 PM	U.K.	Manufacturing PMI (Aug)		55.0	55.1
5:00 PM	India	Bank Loan Growth			6.3%
5:00 PM	India	Deposit Growth			10.8%
5:00 PM	India	FX Reserves, USD			393.40B
6:00 PM	U.S.	Nonfarm Payrolls (Aug)		180K	209K
6:00 PM	U.S.	Private Nonfarm Payrolls (Aug)		179K	205K
6:00 PM	U.S.	Unemployment Rate (Aug)		4.3%	4.3%
7:15 PM	U.S.	Manufacturing PMI (Aug)		52.5	52.5
7:30 PM	U.S.	ISM Manufacturing PMI (Aug)		56.5	56.3
7:30 PM	U.S.	Michigan Consumer Sentiment (Aug)		97.4	97.6

DISCLAIMER

This document has been prepared by ICFL (100% Subsidiary Company of Shriram Insight Share Brokers Ltd) and is meant for sole use by the recipient and not for circulation. This document is not to be reported or copied or made available to others. The information contained herein is from sources believed reliable. It should not be considered to be taken as an offer to sell or a solicitation to buy and sell any Commodity or as an official confirmation of any transaction. We do not represent that it is accurate or complete and it should not be relied upon as such. This document is prepared for assistance only and is not intended to be and must not alone be taken as the basis for an investment decision. The investments discussed or recommended in this report may not be suitable for all investors. ICFL (100% Subsidiary Company of Shriram Insight Share Brokers Ltd) Recommendation Service is a general recommendation service and is not to be construed as an individual investor specific Portfolio Management and Advisory Service.

The user assumes the entire risk of any use made of this information. Each recipient of this document should arrive at an independent evaluation of an investment in the Commodities to in this document and should consult its own advisors to determine the merits and risks of such an investment.

ICFL (100% Subsidiary Company of Shriram Insight Share Brokers Ltd) shall not be responsible for any loss or liability incurred to the user as a consequence of his or any other person on his behalf taking any investment decisions based on the information, recommendations, research reports, analysis, quotes, etc. provided on the web site.

ICFL (100% Subsidiary Company of Shriram Insight Share Brokers Ltd) shall also not be liable for errors, omissions or typographical errors, disruption delay, interruption, failure, deletion or defect of/in the Service provided by it.

All Users of the Service in countries other than India understand that by using the Service, they may be violating the local laws in such countries. If the User chooses to access the Service from outside India, he shall be responsible for compliance with foreign and local laws