



COMMODITY REPORT

01 November 2017

ECONOMIC/GLOBAL NEWS

- Natural gas futures edged lower, as bearish speculators bet that forecasts for warmer weather over the next two weeks will reduce demand for the heating fuel. December natural gas fell 2.36% to \$2.896 per million British thermal units. MCX Natural Gas November expiry closed at Rs. 187.80 per British thermal unit, down 3.05%.
- China Caixin manufacturing PMI remained unchanged at 51.0 in October.
- U.S. Conference Board said its consumer confidence index jumped to 125.9 in October from an upwardly revised 120.6 in September.
- U.S. MNI Indicators said its Chicago business barometer rose to 66.2 in October from 65.2 in September.
- The American Petroleum Institute reported that U.S. crude supplies dropped by 5.1 million barrels for the week ended Oct. 27. The API data also showed a decline of 7.7 million barrels in gasoline stockpiles, while inventories of distillates lost 3.1 million barrels.
- Eurozone gross domestic product climbed 0.6% quarter-on-quarter, but the rate was slightly slower than the revised 0.7% expansion seen in the second quarter. On a yearly basis, the currency bloc grew 2.5%, which was faster than the 2.3% rise logged in the second quarter.
- Eurozone inflation slowed to 1.4% in October, while the rate was forecast to remain unchanged at 1.5%. Core inflation moderated to 0.9% from 1.1% in the preceding month.
- Eurozone unemployment rate reached its lowest level since January 2009. The jobless rate fell to 8.9% in September from revised 9% in August.
- France's gross domestic product grew 0.5% sequentially in the third quarter, slightly slower than the revised 0.6% expansion posted in the second quarter. Compared to the third quarter of 2016, GDP rose 2.2%, such a growth rate had not been observed since 2011.
- France's consumer price inflation rose to 1.1% in October from 1% in September. Month-on-month, consumer prices edged up 0.1%, after a moderate downturn in September.
- France's producer prices also climbed 0.5% month-on-month versus August's 0.3% gain. On a yearly basis, producer prices advanced 2% in September after rising 1.8%.
- The Bank of Japan kept its monetary stimulus unchanged, on Tuesday, despite lowering its inflation outlook. Governor Haruhiko Kuroda and his board members decided by an 8-1 majority vote to hold its target of raising the amount of outstanding JGB holdings at an annual pace of about JPY 80 trillion, the bank said in a statement. The bank will purchase government bonds so that the yield of 10-year JGBs will remain at around 0%. The board also decided to maintain the -0.1% interest rate on current accounts that financial institutions maintain at the bank.
- Japan Nikkei Manufacturing PMI dropped marginally to 52.8 in October from 52.9 in September.
- India's fiscal deficit improves to 91.3% of the budget estimate at the end of September from 96.1% at the end of August as revenues picked up pace. The government has so far maintained that the target will be met. In absolute terms, fiscal deficit is pegged at Rs 4.99 lakh crore at the end of September, down about Rs 26,000 crore from August as second instalment of corporate taxes allowed revenue to exceed spending in the month. The core sector grew at a six-month high of 5.2% in September.

Index	31-Oct-17	30-Oct-17	Pts. Ch.	% Change
Dow	23377.24	23348.74	28.50	0.12
Nifty	10335.30	10363.65	-28.35	-0.27
Sensex	33213.13	33266.16	-53.03	-0.16
USD/INR	64.75	64.85	-0.10	-0.16
Dollar Index	94.45	94.45	0.00	0.00
Euro/\$1US	1.1652	1.1651	0.0001	0.01
\$1US/Yen	113.66	113.19	0.47	0.42
Pound/\$1US	1.3290	1.3208	0.0082	0.62

Market Update

- U.S. stocks closed higher, with the Nasdaq ending at a record and major indexes overall wrapping up a strong October as quarterly results kept equities drifting near all-time highs. The S&P 500 rose 2.43 points, or about 0.1%, to 2,575.26. The Nasdaq Composite Index advanced 28.71 points, or 0.4%, to finish at 6,727.67.
- Indian market registered small losses in a range-bound trading session. Profit booking emerged as key indices registered record closing highs in the previous trading session. Mixed cues from Asian markets and a weak closing on the Wall Street also dampened the sentiment.

Currency Update

- The U.S. dollar gave up some of its newly gained ground on Tuesday, easing despite some better-than-expected U.S. data. Its Canadian counterpart, meanwhile, took a dive after data there showed weaker-than-expected domestic growth. The ICE U.S. Dollar index was little changed at 94.553. The broader WSJ U.S. Dollar Index also rose 0.1% to 87.61, having gained 1.5% on the month. The British pound strengthened to \$1.3287 versus \$1.3207. This marks a three-day high for sterling against the dollar. On the month, however, the pound lost 0.8% against the buck. The euro was little changed at \$1.1655. The greenback also registered gains against the Japanese yen, trading at ¥113.66 versus ¥113.17.
- Consolidating strong recovery for the second-straight day, the rupee moved higher by 10 paise to end at a fresh two-week high of 64.75 against the dollar due to sustained selling of the US currency by exporters. At the Interbank Foreign Exchange (FOREX) market, the rupee opened slightly higher at 64.83 from Monday's close of 64.85 and largely traded in a tight range due to lack of fresh drivers. After scaling a new intra-day high of 64.72 in late afternoon deals, the local unit finally settled down at 64.75, showing a rise of 10 paise, or 0.16%. The RBI fixed the reference rate for the dollar at 64.7745.

Name of the ETF	Holdings In Tonnes As		%Ch
	31-Oct-17	30-Oct-17	
SPDR Gold ETF	850.77	850.77	0.00
iShares Silver Trust	9926.85	9926.85	0.00

Symbol	31-Oct-17		Ratio
	Close	Close	
Gold v/s Silver	1271	16.693	76.11
Gold v/s Crude Oil	1271	54.38	23.36

Bullion	Closing		% Ch
	31-Oct-17	30-Oct-17	
Gold Dec MCX	29153	29384	-0.79
Gold Dec Comex	1271	1278	-0.56
Silver Dec MCX	38818	39265	-1.14
Silver Dec Comex	16.693	16.847	-0.91
Energy			
Crude Oil Nov MCX	3528	3513	0.43
Crude Dec Nymex	54.38	54.15	0.42
Natural Gas Nov MCX	187.80	193.70	-3.05
Nat. Gas Dec Henry Hub	2.896	2.966	-2.36

LME Inventories (In Tonnes)

Base Metals	31-Oct-17	30-Oct-17	Change	% Change
Aluminum	1188700	1193925	-5225	-0.44
Copper	274625	273625	1000	0.37
Nickel	381906	382872	-966	-0.25
Lead	149475	149125	350	0.23
Zinc	257150	258950	-1800	-0.70

Base Metals	Closing		% Ch
	31-Oct-17	30-Oct-17	
Aluminium Nov	139.90	139.75	0.11
Copper Nov	444.70	446.10	-0.31
Nickel Nov	800.10	758.50	5.48
Lead Nov	156.55	156.55	0.00
Zinc Nov	213.95	210.75	1.52

ECONOMIC CALENDER

Wednesday November 01 2017					
Time	Country	Event	Actual	Forecast	Previous
2:00 AM	U.S.	API Weekly Crude Oil Stock	-5.087M	-2.100M	0.591M
6:00 AM	Japan	Manufacturing PMI (Oct)	52.8	52.5	52.5
7:15 AM	China	Caixin Manufacturing PMI (Oct)	51.0	51.0	51.0
10:30 AM	India	Nikkei Markit Manufacturing PMI (Oct)		51.5	51.2
12:30 PM	U.K.	Nationwide HPI (MoM) (Oct)		0.2%	0.2%
12:30 PM	U.K.	Nationwide HPI (YoY) (Oct)		2.2%	2.0%
3:00 PM	U.K.	Manufacturing PMI (Oct)		55.8	55.9
5:45 PM	U.S.	ADP Nonfarm Employment Change (Oct)		200K	135K
7:15 PM	U.S.	Manufacturing PMI (Oct)		54.5	54.5
7:30 PM	U.S.	ISM Manufacturing PMI (Oct)		59.5	60.8
8:00 PM	U.S.	Crude Oil Inventories		-1.756M	0.856M
8:00 PM	U.S.	EIA Weekly Distillates Stocks		-2.128M	-5.246M
8:00 PM	U.S.	Gasoline Inventories		-1.506M	-5.465M
11:30 PM	U.S.	FOMC Statement			
11:30 PM	U.S.	Fed Interest Rate Decision		1.25%	1.25%

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