



COMMODITY REPORT

02 February 2018

ECONOMIC/GLOBAL NEWS

- Oil prices scored their biggest one-day gain in more than a week, after Goldman Sachs said the market has likely reached a balance between supply and demand, and forecast Brent crude to trade above \$80 a barrel later this year. March West Texas Intermediate crude rose \$1.07, or 1.65%, to settle at \$65.80 a barrel on the New York Mercantile Exchange. MCX Crude Oil February expiry closed at Rs. 4195 per barrel, up 2.02%.
- U.S. initial jobless claims edged down to 230,000 in the week ended January 27th, a decrease of 1,000 from the previous week's revised level of 231,000. Continuing claims rose by 13,000 to 1.953 million in the week ended January 20th.
- U.S. Markit manufacturing PMI came in at 55.5 in January, up from the 55.1 final December.
- U.S. ISM said its purchasing managers index edged down to 59.1 in January from 59.3 in December.
- U.S. total vehicle sales fell to 17.16 million units in January from 17.85 million a year earlier.
- The U.S. Energy Information Administration reported that domestic supplies of natural gas fell by 99 billion cubic feet for the week ended Jan. 26. Total stocks now stand at 2.197 trillion cubic feet, down 526 billion cubic feet from a year ago, and 425 billion below the five-year average, the government said.
- U.K. IHS Markit/CIPS PMI for the manufacturing sector fell to 55.3 from 56.2 in December.
- U.K. house price inflation rose 3.2% year-on-year after a 2.6% increase in December. On a month-on-month basis, house prices increased 0.6% from December.
- Eurozone final factory PMI dropped to a three-month low of 59.6 in January from December's record high of 60.6.
- Germany's IHS Markit/BME manufacturing PMI dropped to a 3-month low of 61.3 in January from 63.3 in December.
- French manufacturing final PMI came in at 58.4 in January versus 58.8 in December.
- Australia's producer prices were up 0.6% on quarter in the fourth quarter of 2017, following the 0.2% gain in the three months prior. On a yearly basis, producer prices jumped 1.7% - up from 1.6% in Q3.
- India's Nikkei manufacturing PMI dropped to 52.4 in January from December's 60-month high of 54.7.

Index	01-Feb-18	31-Jan-18	Pts. Ch.	% Change
Dow	26186.71	26149.39	37.32	0.14
Nifty	11016.90	11027.70	-10.80	-0.10
Sensex	35906.66	35965.02	-58.36	-0.16
USD/INR	64.02	63.58	0.44	0.68
Dollar Index	88.48	88.95	-0.47	-0.53
Euro/\$1US	1.2511	1.2421	0.0090	0.72
\$1US/Yen	109.40	109.19	0.21	0.19
Pound/\$1US	1.4266	1.4192	0.0074	0.52

Market Update

- U.S. stock indexes ended mostly lower, switching between gains and losses as fears of a pick up in inflation and rising bond yields fostered emerging volatility on Wall Street. The S&P 500 index slipped 1.83 points, or about 0.1%, to end at 2,821.98. The Nasdaq Composite Index finishing off 25.62 points, or 0.4%, at 7,385.86.
- Indian market settled with small losses after a volatile trading session as investors digested Union Budget 2018-19 proposals, which were presented in the Parliament today, 1 February 2018.

Currency Update

- The U.S. dollar extended losses into a third straight day as hawkish noises from the U.S. Federal Reserve did little to prop up the struggling buck. The ICE U.S. Dollar Index fell 0.6% to 88.581. The WSJ U.S. Dollar Index was down 0.4% at 82.93. The euro last bought \$1.2517, from \$1.2414, back to trading around its highest level since December 2014. The pound rose to \$1.4276 from \$1.4191. Against the Japanese yen, the dollar extended its winning streak, buying ¥109.25, compared with ¥109.18.
- The rupee today plunged 44 paise to close at a near two-week low of 64.02 against the US dollar after the government announced long-term capital gains (LTCG) tax on equities and widened its fiscal deficit target while unveiling the Union Budget. Earlier, the rupee resumed lower at 63.64 against the Wednesday's close of 63.58. It touched a fresh intraday low of 64.03 before ending at 64.02, showing a steep fall of 44 paise, or 0.68%. Though, the rupee touched a high of 63.55 briefly. The RBI fixed the reference rate for the dollar at 63.6113.

Name of the ETF	Holdings In Tonnes As		%Ch
	01-Feb-18	31-Jan-18	
SPDR Gold ETF	841.35	841.35	0.00
iShares Silver Trust	9736.88	9736.88	0.00

Symbol	01-Feb-18		Ratio
	Close	Close	
Gold v/s Silver	1348	17.155	78.57
Gold v/s Crude Oil	1348	65.80	20.48

Bullion	Closing		% Ch
	01-Feb-18	31-Jan-18	
Gold Apr MCX	30446	29966	1.60
Gold Apr Comex	1348	1343	0.36
Silver Mar MCX	39309	39319	-0.03
Silver Mar Comex	17.155	17.241	-0.50
Energy			
Crude Oil Feb MCX	4195	4112	2.02
Crude Mar Nymex	65.80	64.73	1.65
Natural Gas Feb MCX	183.70	190.50	-3.57
Nat. Gas Mar Henry Hub	2.856	2.995	-4.64

LME Inventories (In Tonnes)

Base Metals	01-Feb-18	31-Jan-18	Change	% Change
Aluminum	1080550	1081475	-925	-0.09
Copper	304675	305575	-900	-0.29
Nickel	355266	357012	-1746	-0.49
Lead	133250	134525	-1275	-0.95
Zinc	170700	172575	-1875	-1.09

Base Metals	Closing		% Ch
	01-Feb-18	31-Jan-18	
Aluminium Feb	142.55	140.60	1.39
Copper Feb	454.70	450.90	0.84
Nickel Feb	894.40	858.90	4.13
Lead Feb	171.25	167.15	2.45
Zinc Feb	229.35	225.95	1.50

ECONOMIC CALENDER

Friday February 02 2018					
Time	Country	Event	Actual	Forecast	Previous
Tentative	U.S.	Total Vehicle Sales	17.16M		17.85M
6:00 AM	Australia	PPI (QoQ) (Q4)	0.6%	0.2%	0.2%
6:00 AM	Australia	PPI (YoY) (Q4)	1.7%	1.2%	1.6%
3:00 PM	U.K.	Construction PMI (Jan)		52.0	52.2
3:30 PM	Eurozone	PPI (YoY) (Dec)		2.3%	2.8%
3:30 PM	Eurozone	PPI (MoM) (Dec)		0.3%	0.6%
5:00 PM	India	Bank Loan Growth			11.1%
5:00 PM	India	Deposit Growth			4.5%
5:00 PM	India	FX Reserves, USD			414.78B
7:00 PM	U.S.	Nonfarm Payrolls (Jan)		184K	148K
7:00 PM	U.S.	Private Nonfarm Payrolls (Jan)		180K	146K
7:00 PM	U.S.	Unemployment Rate (Jan)		4.1%	4.1%
8:30 PM	U.S.	Factory Orders (MoM) (Dec)		1.5%	1.3%
8:30 PM	U.S.	Michigan Consumer Sentiment (Jan)		95.0	94.4

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