



COMMODITY REPORT

02 November 2017

ECONOMIC/GLOBAL NEWS

- Silver prices settled higher, then eased back, before briefly pitching higher, in the electronic trading session as the U.S. dollar held on to a modest rise in the wake of the latest monetary policy update from the Federal Reserve. December silver climbed 48.3 cents, or 2.89%, to settle at \$17.176 an ounce, for its best daily percentage rise since early August. MCX Silver December expiry closed at Rs. 39700 per kg, up 2.27%.
- The Federal Reserve is still likely to raise interest rates in December thanks to a "solid" U.S. economy, according to the central bank's latest monetary policy announcement. As expected, the Fed maintained its key interest rate at 1%-1.25%, a nod to "soft" inflation.
- U.S. seasonally adjusted IHS Markit final manufacturing PMI registered 54.6 in October, up from 53.1 in September.
- U.S. ISM said its purchasing managers index fell to 58.7 in October from 60.8 in September.
- U.S. ADP said private sector employment climbed by 235,000 jobs in October after rising by a downwardly revised 110,000 jobs in September.
- U.S. Autodata Corp. estimated that the annualized sales rate in October, adjusted for seasonal trends, totaled 18.09 million. It was the second-best reading of 2017, and even topped the year-earlier rate.
- The U.S. Energy Information Administration showed that domestic crude supplies fell by 2.4 million barrels for the week ended Oct. 27. Gasoline stockpiles dropped by 4 million barrels for the week, while distillate stockpiles fell 300,000 barrels.
- U.K. IHS Markit/CIPS manufacturing PMI rose to 56.3 in October from revised 56.0 in September.
- U.K. house prices increased 2.5% year-on-year, following September's revised 2.3% rise. On a monthly basis, house price inflation halved to 0.2% from 0.4% in September.
- India's Nikkei manufacturing PMI dropped to 50.3 in October from 51.2 in September.
- Australia's seasonally adjusted trade surplus climbed to A\$1.75 billion in September from A\$873 million in August. Exports of goods and services grew 3.0% monthly in September, while imports were relatively steady.

Index	01-Nov-17	31-Oct-17	Pts. Ch.	% Change
Dow	23435.01	23377.24	57.77	0.25
Nifty	10440.50	10335.30	105.20	1.02
Sensex	33600.27	33213.13	387.14	1.17
USD/INR	64.59	64.75	-0.16	-0.24
Dollar Index	94.70	94.43	0.27	0.29
Euro/\$1US	1.1629	1.1646	-0.0017	-0.15
\$1US/Yen	114.18	113.64	0.54	0.48
Pound/\$1US	1.3256	1.3283	-0.0027	-0.20

Market Update

- U.S. stocks mostly closed higher, with the Dow and the S&P 500 ending near record levels after the Federal Reserve stood pat on interest rates but referred to the U.S. economy in positive terms. The S&P 500 climbed 4 points, or 0.16%, to 2,579, and hit an intraday record of its own, at 2,588.40. The Nasdaq Composite Index however, bucked the trend to slip 11 points, or 0.2%, to 6,716.5.
- Indian market closed the session with strong gains. The market got a major boost from the latest World Bank report, which elevated India by 30 notches at 100 in the World Bank's Ease of Doing Business rankings. Positive global stocks also boosted investors' sentiment.

Currency Update

- The U.S. dollar stabilized against its rivals following the Federal Reserve's monetary policy statement, with the central bank calling the U.S. economy "solid," leaving the door open to a widely expected December rate increase. The ICE U.S. Dollar Index was up 0.3% at 94.788. The broader WSJ U.S. Dollar Index was 0.2% stronger at 87.76. The pound bought \$1.3250, down from \$1.3283 in New York. Sterling during Wednesday's session hit an intraday high of \$1.3321 following better-than-expected British manufacturing data. The euro traded at \$1.1618, slipping from \$1.1648. Against the Japanese yen the dollar was at a three-session high buying ¥114.15, compared with ¥113.64 in the previous session.
- Keeping pace with the stunning rally in domestic equities, the rupee surged by a solid 16 paise to end at an over one-month high of 64.59 against the US currency following frantic dollar unwinding. At the Interbank Foreign Exchange (FOREX) market, the rupee resumed firm at 64.71 from overnight close of 64.75 as foreign banks and exporters liquidated their dollar bets. Steering its strong momentum, the local unit touched an intra-day high of 64.51 in later deals before concluding at 64.59, showing a smart rise of 16 paise, or 0.24%. The RBI fixed the reference rate for the dollar at 64.5256.

Name of the ETF	Holdings In Tonnes As		%Ch
	01-Nov-17	31-Oct-17	
SPDR Gold ETF	849.59	850.77	-0.14
iShares Silver Trust	9926.85	9926.85	0.00

Symbol	01-Nov-17		Ratio
	Close	Close	
Gold v/s Silver	1277	17.176	74.37
Gold v/s Crude Oil	1277	54.30	23.52

Bullion	Closing		% Ch
	01-Nov-17	31-Oct-17	
Gold Dec MCX	29221	29153	0.23
Gold Dec Comex	1277	1271	0.54
Silver Dec MCX	39700	38818	2.27
Silver Dec Comex	17.176	16.693	2.89
Energy			
Crude Oil Nov MCX	3500	3528	-0.79
Crude Dec Nymex	54.30	54.38	-0.15
Natural Gas Nov MCX	187.10	187.80	-0.37
Nat. Gas Dec Henry Hub	2.893	2.896	-0.10

LME Inventories (In Tonnes)

Base Metals	01-Nov-17	31-Oct-17	Change	% Change
Aluminum	1186450	1188700	-2250	-0.19
Copper	273675	274625	-950	-0.35
Nickel	381444	381906	-462	-0.12
Lead	149250	149475	-225	-0.15
Zinc	254025	257150	-3125	-1.22

Base Metals	Closing		% Ch
	01-Nov-17	31-Oct-17	
Aluminium Nov	140.15	139.90	0.18
Copper Nov	447.55	444.70	0.64
Nickel Nov	815.70	800.10	1.95
Lead Nov	159.95	156.55	2.17
Zinc Nov	212.00	213.95	-0.91

ECONOMIC CALENDER

Thursday November 02 2017

Time	Country	Event	Actual	Forecast	Previous
1:30 AM	U.S.	Total Vehicle Sales	18.09M	17.30M	18.57M
6:00 AM	Australia	Exports (MoM) (Sep)	3%		1%
6:00 AM	Australia	Imports (MoM) (Sep)	0%		-1%
6:00 AM	Australia	Trade Balance (Sep)	1.745B	1.200B	0.989B
2:20 PM	France	French Manufacturing PMI (Oct)		56.7	56.7
2:25 PM	Germany	German Manufacturing PMI (Oct)		60.5	60.5
2:25 PM	Germany	German Unemployment Rate (Oct)		5.6%	5.6%
2:30 PM	Germany	German Unemployment Change (Oct)		-10K	-23K
2:30 PM	Eurozone	Manufacturing PMI (Oct)		58.6	58.6
3:00 PM	U.K.	Construction PMI (Oct)		48.1	48.1
5:30 PM	U.K.	BoE QE Total (Oct)		435B	435B
5:30 PM	U.K.	BoE Interest Rate Decision (Oct)		0.50%	0.25%
5:30 PM	U.K.	BoE MPC Meeting Minutes			
6:00 PM	U.S.	Continuing Jobless Claims		1,897K	1,893K
6:00 PM	U.S.	Initial Jobless Claims		235K	233K
8:00 PM	U.S.	Natural Gas Storage		62B	64B

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