



COMMODITY REPORT

03 March 2017

ECONOMIC/GLOBAL NEWS

- Gold futures suffered their biggest one-day loss of the year, finishing at a more than two-week low, after the U.S. dollar touched its highest levels since January on the back of increased suggestions from Federal Reserve officials for a near-term interest-rate hike. Gold for April delivery fell \$17.10, or 1.37%, to settle at \$1,232.90 an ounce. Silver for May delivery dropped 74.1 cents, or 4.01%, at \$17.748 an ounce-snapping a five-session climb to end at the lowest since Feb. 9. MCX Gold April expiry closed at Rs. 29170 per 10 gram, down 0.88% while MCX Silver May expiry closed at Rs. 42643 per kg, down 3.19%.
- China Caixin services sector continued to expand in February, with a PMI score of 52.6. That was down from 53.1 in January. The composite index also checked in at 52.6, up from 52.2 in the previous month.
- U.S. initial jobless claims dropped to 223,000 in the week ended February 25th, a decrease of 19,000 from the previous week's revised level of 242,000. Continuing claims rose by 3,000 to 2.066 million in the week ended February 18th.
- The U.S. Energy Information Administration showed that domestic supplies of natural gas rose by 7 billion cubic feet for the week ended Feb. 24. Total stocks now stand at 2.363 trillion cubic feet, down 187 billion cubic feet from a year ago, but 295 billion cubic feet above the five-year average, the government said.
- U.K. construction PMI rose unexpectedly to 52.5 in February from 52.2 in January.
- Eurozone inflation accelerated to 2% in February from 1.8% in January. Core inflation held steady at 0.9% in February.
- Eurozone producer price inflation climbed 3.5% year-over-year in January, much faster than the 1.6% rise in November. On a monthly basis, producer prices rose 0.7% in January, following a 0.8% climb in the prior month, which was revised up from 0.7%.
- Eurozone jobless rate held steady at a seasonally adjusted 9.6% in January but down from 10.4% in the prior year. The number of unemployed decreased by 56,000 from December to 15.62 million. Compared to prior year, unemployment fell by 1.101 million.
- Germany's import prices advanced 6% year-on-year in January, faster than the 3.5% increase registered in December. Month-on-month, import prices climbed 0.9% versus 1.9% in December.
- Japan consumer prices gained 0.4% on year in January, up from 0.3% in December. Core CPI added 0.1% on year - following the 0.2% decline in the previous month. On a monthly basis, overall inflation added 0.1% and core CPI was up 0.3%.
- Japan unemployment rate came in at a seasonally adjusted 3.0% in January - down from 3.1% in December.
- Japan Nikkei services sector continued to expand in February, with a PMI score of 51.3, that's down from 51.9 in January. Also, the composite PMI came in at 52.2, down marginally from 52.3 in the previous month.

Index	02-Mar-17	01-Mar-17	Pts. Ch.	% Change
Dow	21002.97	21115.55	-112.58	-0.53
Nifty	8899.75	8945.80	-46.05	-0.51
Sensex	28839.79	28984.49	-144.70	-0.50
USD/INR	66.71	66.83	-0.12	-0.18
Dollar Index	102.20	101.78	0.42	0.41
Euro/\$1US	1.0507	1.0548	-0.0041	-0.39
\$1US/Yen	114.41	113.73	0.68	0.60
Pound/\$1US	1.2267	1.2295	-0.0028	-0.23

Market Update

- The Dow shed more than 100 points to finish barely above 21,000 as weak financial shares dragged on the market while Wall Street focused on social app Snap Inc., which soared on its trading debut. The S&P 500 slid 14.04 points, or 0.6%, to end at 2,381.92. The Nasdaq Composite Index lost 42.81 points, or 0.7%, to finish at 5,861.22.
- Selling in late trade Indian market to settle with small losses after holding on to gains for the most part of the session. The Sensex fell below the psychological 29,000 mark after initial gains pushed it above that level.

Currency Update

- The dollar strengthened against major rivals, sending the ICE U.S. dollar index to a two-month high, as yet another Federal Reserve official appeared to back a buck-boosting interest-rate hike sooner rather than later. The ICE U.S. Dollar Index gained 0.4% to 102.16, the highest level in two months. The WSJ Dollar Index was up 0.5% at 91.95. Against the yen the dollar changed hands at ¥114.47, up 0.6% from ¥113.73. The euro was trading at \$1.0506 from \$1.0546. The British pound GBPUSD, -0.0408% traded at \$1.2262 compared with \$1.2293.
- The rupee staged a smart rebound after a brief overnight wobble and ended higher by 12 paise at 66.71 against the American currency. At the Interbank Foreign Exchange (Forex) Market, the domestic currency opened higher at 66.76 from Wednesday's close of 66.83. It largely moved in a tight range of 66.68 and 66.7850 before ending at 66.71, revealing a good gain of 12 paise, or 0.18%. The RBI fixed the reference rate for the dollar at 66.7433.

Name of the ETF	Holdings In Tonnes As		%Ch
	02-Mar-17	01-Mar-17	
SPDR Gold ETF	845.32	843.54	0.21
iShares Silver Trust	10424.54	10428.42	-0.04

Symbol	02-Mar-17		Ratio
	Close	Close	
Gold v/s Silver	1233	17.748	69.47
Gold v/s Crude Oil	1233	52.61	23.43

Bullion	Closing		% Ch
	02-Mar-17	01-Mar-17	
Gold Apr MCX	29170	29428	-0.88
Gold Apr Comex	1233	1250	-1.37
Silver May MCX	42643	44049	-3.19
Silver May Comex	17.748	18.489	-4.01
Energy			
Crude Oil Mar MCX	3537	3604	-1.86
Crude Apr Nymex	52.61	53.83	-2.27
Natural Gas Mar MCX	188.20	186.10	1.13
Nat. Gas Apr Henry Hub	2.804	2.799	0.18

LME Inventories (In Tonnes)

Base Metals	02-Mar-17	01-Mar-17	Change	% Change
Aluminum	2180775	2188400	-7625	-0.35
Copper	200000	200725	-725	-0.36
Nickel	378444	377778	666	0.18
Lead	189900	189600	300	0.16
Zinc	384075	384100	-25	-0.01

Base Metals	Closing		% Ch
	02 - Mar-17	01-Mar-17	
Aluminium Mar	127.50	129.85	-1.81
Copper Apr	398.05	403.95	-1.46
Nickel Mar	722.40	737.10	-1.99
Lead Mar	150.90	154.10	-2.08
Zinc Mar	185.65	190.90	-2.75

ECONOMIC CALENDER

Friday Mar 03, 2017

Time	Country	Event	Actual	Forecast	Previous
5:00 AM	Japan	National Core CPI (YoY) (Jan)	0.1%	0.0%	-0.2%
5:00 AM	Japan	National CPI (YoY) (Jan)	0.4%	0.4%	0.3%
5:00 AM	Japan	Unemployment Rate (Jan)	3.0%	3.0%	3.1%
7:15 AM	China	Caixin Services PMI (Feb)	52.6	53.3	53.1
10:30 AM	India	Nikkei Services PMI (Feb)			48.7
12:30 PM	Germany	German Retail Sales (YoY) (Jan)		0.7%	-1.1%
12:30 PM	Germany	German Retail Sales (MoM) (Jan)		0.2%	-0.9%
2:20 PM	France	French Markit Composite PMI (Feb)		56.2	56.2
2:20 PM	France	French Services PMI (Feb)		56.7	56.7
2:25 PM	Germany	German Composite PMI (Feb)		56.1	56.1
2:25 PM	Germany	German Services PMI (Feb)		54.4	54.4
2:30 PM	Eurozone	Markit Composite PMI (Feb)		56.0	56.0
2:30 PM	Eurozone	Services PMI (Feb)		55.6	55.6
3:00 PM	U.K.	Services PMI (Feb)		54.1	54.5
3:30 PM	Eurozone	Retail Sales (MoM) (Jan)		0.4%	-0.3%
3:30 PM	Eurozone	Retail Sales (YoY) (Jan)		1.6%	1.1%
5:00 PM	India	Bank Loan Growth			5.0%
5:00 PM	India	Deposit Growth			13.5%
5:00 PM	India	FX Reserves, USD			362.73B
8:15 PM	U.S.	Markit Composite PMI (Feb)			54.3
8:15 PM	U.S.	Services PMI (Feb)		53.9	53.9
8:30 PM	U.S.	ISM Non-Manufacturing PMI (Feb)		56.5	56.5

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