



COMMODITY REPORT

03 November 2017

ECONOMIC/GLOBAL NEWS

- Natural-gas futures climbed after the EIA reported that supplies of the commodity rose by 65 billion cubic feet for the week ended October 27th. The rise came in above the five-year average of 60 billion cubic feet. Total natural gas in storage currently stands at 3.775 trillion cubic feet (tcf). That figure is 180 bcf, or around 4.5%, lower than levels at this time a year ago and 41 bcf, or roughly 1.1%, below the five-year average for this time of year. December natural gas added 1.45% at \$2.935 per million British thermal units. MCX Natural Gas November expiry closed at Rs. 190.30 per British thermal unit, up 1.71%.
- China's Caixin composite output index, which covers both manufacturing and services, dropped to 51.0 in October from 51.4 in September.
- U.S. initial jobless claims edged down to 229,000 in the week ended October 28th, a decrease of 5,000 from the previous week's revised level of 234,000. Continuing claims dropped by 15,000 to 1.884 million in the week ended October 21st.
- The Bank of England raised its key rate for the first time in a decade despite Brexit hurting the economy, as inflation sticks to upward trend on a weaker pound. The Monetary Policy Committee, headed by Governor Mark Carney, decided to lift the benchmark rate by 25 basis points to 0.50%. This was the first rate hike since July 2007. The MPC voted 7-2 to raise the interest rate. Policymakers voted unanimously to maintain the quantitative easing at GBP 435 billion.
- U.K. IHS Markit/Chartered Institute of Procurement & Supply construction PMI rose to 50.8 in October from 48.1 in September.
- Eurozone manufacturing PMI rose to an 80-month high of 58.5 in October from 58.1 in September.
- German unemployment declined in October, the number of people out of work decreased by adjusted 11,000 to 2.495 million. The jobless rate remained unchanged at 5.6%, the lowest since reunification in 1990.
- Germany headline IHS Markit/BME manufacturing PMI came in at 60.6 in October, unchanged on September's 77-month high.
- French manufacturing sector continued at the start of the fourth quarter. The PMI held steady at 56.1 in October, which was the joint-highest since April 2011.
- Australia's retail sales remained flat in September, following a 0.5% fall in August. The seasonally adjusted estimate for the September quarter edged up 0.1%, following a rise of 1.5% in the June quarter.

Index	02-Nov-17	01-Nov-17	Pts. Ch.	% Change
Dow	23516.26	23435.01	81.25	0.35
Nifty	10423.80	10440.50	-16.70	-0.16
Sensex	33573.22	33600.27	-27.05	-0.08
USD/INR	64.61	64.59	0.02	0.03
Dollar Index	94.62	94.71	-0.09	-0.10
Euro/\$1US	1.1659	1.1619	0.0040	0.34
\$1US/Yen	114.02	114.17	-0.15	-0.13
Pound/\$1US	1.3054	1.3246	-0.0192	-1.45

Market Update

- The Dow Jones Industrial Average closed at a record, but the other main benchmarks saw muted moves, as the much-anticipated tax plan by House Republicans was unveiled and as President Donald Trump nominated Fed. Gov. Jerome Powell to run the Federal Reserve, as had been widely expected. The S&P 500 index rose 0.49 point, or less than 0.1%, to finish at 2,579.85. The Nasdaq Composite Index off 1.59 point, or less than 0.1%, to end at 6,714.94.
- Indian market ended the rangebound and lackluster session of trade with small losses as profit booking set in after indices hit record high levels in intraday trade. Mostly lower global stocks kept sentiment subdued.

Currency Update

- The U.S. dollar remained range-bound in afternoon trading, largely unaffected by President Donald Trump's nomination of Jerome Powell as the new Fed chairman, which had been expected. The ICE Dollar Index was down 0.1% at 94.687, but was still around its highest since July. Meanwhile, the broader WSJ U.S. Dollar Index was 0.1% lower at 87.69. Sterling dropped 1.4% against the dollar, trading at \$1.3060, down from \$1.3246. The euro gained against the buck, reaching a five-day high as the dollar lost ground and fetched \$1.1661, compared with \$1.1621. Against the Japanese yen, the dollar was weaker at ¥114.08, compared with ¥114.17.
- The rupee washed out initial gains and ended marginally lower by 2 paise at 64.61 against the American currency in a quiet session after a hectic three-day run. At the Interbank Foreign Exchange (FOREX) market, the rupee opened stronger at 64.53 against Wednesday's close of 64.59 on sustained dollar selling from local banks and exporters. It strengthened further to hit a fresh intra-day high of 64.47 in mid-morning deals supported by initial rally in local equities. However, the home unit soon lost ground to trade in negative territory and touched a low of 64.67 towards the fag end trade before settling at 64.61, showing a nominal loss of 2 paise, or 0.03%. The RBI fixed the reference rate for the dollar at 64.5930.

Name of the ETF	Holdings In Tonnes As		%Ch
	02-Nov-17	01-Nov-17	
SPDR Gold ETF	846.04	849.59	-0.42
iShares Silver Trust	9922.58	9926.85	-0.04

Symbol	02-Nov-17		Ratio
	Close	Close	
Gold v/s Silver	1278	17.137	74.58
Gold v/s Crude Oil	1278	54.54	23.43

Bullion	Closing		% Ch
	02-Nov-17	01-Nov-17	
Gold Dec MCX	29244	29221	0.08
Gold Dec Comex	1278	1277	0.06
Silver Dec MCX	39614	39700	-0.22
Silver Dec Comex	17.137	17.176	-0.23
Energy			
Crude Oil Nov MCX	3520	3500	0.57
Crude Dec Nymex	54.54	54.30	0.44
Natural Gas Nov MCX	190.30	187.10	1.71
Nat. Gas Dec Henry Hub	2.935	2.893	1.45

LME Inventories (In Tonnes)

Base Metals	02-Nov-17	01-Nov-17	Change	% Change
Aluminum	1184200	1186450	-2250	-0.19
Copper	273850	273675	175	0.06
Nickel	381570	381444	126	0.03
Lead	148775	149250	-475	-0.32
Zinc	250900	254025	-3125	-1.23

Base Metals	Closing		% Ch
	02-Nov-17	01-Nov-17	
Aluminium Nov	139.85	140.15	-0.21
Copper Nov	447.95	447.55	0.09
Nickel Nov	808.60	815.70	-0.87
Lead Nov	158.30	159.95	-1.03
Zinc Nov	211.25	212.00	-0.35

ECONOMIC CALENDER

Friday November 03 2017					
Time	Country	Event	Actual	Forecast	Previous
6:00 AM	Australia	Retail Sales (MoM) (Sep)	0.0%	0.4%	-0.6%
6:00 AM	Australia	Retail Sales (QoQ) (Q3)	0.1%	1.2%	1.5%
7:15 AM	China	Caixin Services PMI (Oct)	51.2	50.8	50.6
10:30 AM	India	Nikkei Services PMI (Oct)			50.7
3:00 PM	U.K.	Services PMI (Oct)		53.3	53.6
5:00 PM	India	FX Reserves, USD			399.92B
6:00 PM	U.S.	Nonfarm Payrolls (Oct)		310K	-33K
6:00 PM	U.S.	Private Nonfarm Payrolls (Oct)		303K	-40K
6:00 PM	U.S.	Trade Balance (Sep)		-43.20B	-42.40B
6:00 PM	U.S.	Unemployment Rate (Oct)		4.2%	4.2%
7:15 PM	U.S.	Markit Composite PMI (Oct)			55.7
7:15 PM	U.S.	Services PMI (Oct)		55.9	55.9
7:30 PM	U.S.	Factory Orders (MoM) (Sep)		1.3%	1.2%
7:30 PM	U.S.	ISM Non-Manufacturing PMI (Oct)		58.5	59.8

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