



COMMODITY REPORT

04 January 2018

ECONOMIC/GLOBAL NEWS

- Oil rallied to a close at a nearly three-year high as antigovernment protests rattled Iran, raising concerns over the potential for disruptions to crude output from OPEC's third-largest producer. February West Texas Intermediate crude on the New York Mercantile Exchange added \$1.26, or 2.09%, to settle at \$61.63 a barrel. MCX Crude Oil January expiry closed at Rs. 3903 per barrel, up 2.07%.
- China Caixin services sector continued to expand in December, with a PMI score of 53.9. That's up from 51.9 in November. Also, the composite index came in at 53.0 - up from 51.6 in the previous month.
- Stubbornly weak inflation could slow the pace of interest rate hikes in 2018, the minutes of the most recent Federal Reserve meeting revealed. At that meeting, the Fed voted to increase its benchmark interest rate a quarter point to 1.25% to 1.5%. The Fed also said it raised its economic projections due to the tax reforms passed by the Trump Administration. "Most participants indicated that prospective changes in federal tax policy were a factor that led them to boost their projections of real GDP growth over the next couple of years," the minutes stated.
- U.S. total vehicle sales ended 2017 with a strong December on a seasonally adjusted basis, although results were below same-month 2016's blowout totals. December's 17.8 million-unit SAAR was higher than November's 17.4 million but below like-2016's 18.1 million - a 15-year high for the month.
- U.S. ISM said its purchasing managers index rose to 59.7 in December from 58.2 in November.
- The American Petroleum Institute reported that U.S. crude supplies fell by 5 million barrels for the week ended Dec. 29. The API data showed a rise of 1.9 million barrels in gasoline stockpiles, while inventories of distillates climbed by 4.3 million barrels.
- U.K. IHS Markit/CIPS construction PMI fell more-than-expected to 52.2 in December from 53.1 in November.
- Germany's unemployment declined 29,000 in December from November. The unemployment rate remained at a record low 5.5% in December. The rate for November was revised down from 5.6%.
- Spain's number of unemployed declined by 61,500 in December from November. On a yearly basis, unemployment decreased by 290,193 or 7.84% in December.
- Japan Nikkei manufacturing sector continued to expand in December, with a manufacturing PMI score of 54.0. That's up from 53.6 in November.
- Hong Kong's retail sales climbed 7.5% year-over-year in November, well above the 3.9% rise in October.
- Hong Kong private sector continued to expand in December, with a PMI score of 51.5. That's up from 50.7 in November.
- Singapore private sector continued to expand in December, with a PMI score of 52.1. That's down sharply from 55.4 in November.

Index	03-Jan-18	02-Jan-18	Pts. Ch.	% Change
Dow	24922.68	24824.01	98.67	0.40
Nifty	10443.20	10442.20	1.00	0.01
Sensex	33793.38	33812.26	-18.88	-0.06
USD/INR	63.53	63.48	0.05	0.09
Dollar Index	91.89	91.57	0.32	0.35
Euro/\$1US	1.2011	1.2059	-0.0048	-0.40
\$1US/Yen	112.61	112.30	0.31	0.28
Pound/\$1US	1.3511	1.3588	-0.0077	-0.57

Market Update

- U.S. stock-market indexes pushed further into record territory, with the main benchmarks closing at fresh all-time highs Wednesday. The S&P 500 rose 17.26 points, or 0.6%, to 2,713.07. The Nasdaq Composite Index rose 58.63 points, or 0.8%, to 7,065.53.
- Indian market settled almost unchanged after giving up early gains in the latter half of the session amid mixed global cues. Broader market, however, ended with decent gains.

Currency Update

- The U.S. dollar advanced, halting its recent selloff and halting a five-session skid following the release of Federal Reserve's December minutes. The ICE U.S. Dollar Index rose 0.4% to 92.193. The broader WSJ U.S. Dollar Index rose 0.2% to 85.83. The euro fell to \$1.2012 from \$1.2061. The pound meanwhile, dropped to \$1.3510 from \$1.3589. The yen was largely flat against the dollar, with the greenback buying ¥112.46, compared with ¥112.29.
- Ending its four-session rise, the rupee retreated from its multi-year high and ended marginally lower by 5 paise at 63.53 against the US currency on fresh bouts of dollar demand from importers and banks. At the Interbank Foreign Exchange (forex) market, the rupee opened lower at 63.55 from Tuesday's close of 63.48 amid firming dollar trend. It later moved in a tight range of 63.58 and 63.45 most part of the day in the absence of any major trigger before finally settling at 63.53, revealing a small loss of 5 paise, or 0.09%. The RBI fixed the reference rate for the dollar at 63.4833.

Name of the ETF	Holdings In Tonnes As		%Ch
	03-Jan-18	02-Jan-18	
SPDR Gold ETF	836.32	836.32	0.00
iShares Silver Trust	9968.64	9972.70	-0.04

Symbol	03-Jan-18		Ratio
	Close	Close	
Gold v/s Silver	1319	17.267	76.36
Gold v/s Crude Oil	1319	61.63	21.39

Bullion	Closing		% Ch
	03-Jan-18	02-Jan-18	
Gold Feb MCX	29225	29162	0.22
Gold Feb Comex	1319	1316	0.18
Silver Mar MCX	39300	39180	0.31
Silver Mar Comex	17.267	17.206	0.35
Energy			
Crude Oil Jan MCX	3903	3824	2.07
Crude Feb Nymex	61.63	60.37	2.09
Natural Gas Jan MCX	190.90	194.40	-1.80
Nat. Gas Feb Henry Hub	3.008	3.056	-1.57

LME Inventories (In Tonnes)

Base Metals	03-Jan-18	02-Jan-18	Change	% Change
Aluminum	1101800	1101375	425	0.04
Copper	200225	200650	-425	-0.21
Nickel	366072	366612	-540	-0.15
Lead	142075	142225	-150	-0.11
Zinc	180825	180975	-150	-0.08

Base Metals	Closing		% Ch
	03-Jan-18	02-Jan-18	
Aluminium Jan	141.40	143.45	-1.43
Copper Feb	457.55	460.30	-0.60
Nickel Jan	790.90	803.70	-1.59
Lead Jan	163.60	162.95	0.40
Zinc Jan	212.35	213.65	-0.61

ECONOMIC CALENDER

Thursday January 04 2018						
Time	Country	Event	Actual	Forecast	Previous	
12:30 AM	U.S.	FOMC Meeting Minutes				
Tentative	U.S.	Total Vehicle Sales	17.85M	17.60M	17.48M	
3:00 AM	U.S.	API Weekly Crude Oil Stock	-4.992M	-5.250M	-6.000M	
6:00 AM	Japan	Manufacturing PMI (Dec)	54.0	54.2	54.2	
7:15 AM	China	Caixin Services PMI (Dec)	53.9	51.8	51.9	
10:30 AM	India	Nikkei Services PMI (Dec)			48.5	
12:30 PM	U.K.	Nationwide HPI (YoY) (Dec)		2.0%	2.5%	
12:30 PM	U.K.	Nationwide HPI (MoM) (Dec)		0.1%	0.1%	
2:20 PM	France	French Markit Composite PMI (Dec)		60.0	60.0	
2:20 PM	France	French Services PMI (Dec)		59.4	59.4	
2:25 PM	Germany	German Composite PMI (Dec)		58.7	58.7	
2:25 PM	Germany	German Services PMI (Dec)		55.8	55.8	
2:30 PM	Eurozone	Markit Composite PMI (Dec)		58.0	58.0	
2:30 PM	Eurozone	Services PMI (Dec)		56.5	56.5	
3:00 PM	U.K.	Services PMI (Dec)		54.1	53.8	
6:45 PM	U.S.	ADP Nonfarm Employment Change (Dec)		191K	190K	
7:00 PM	U.S.	Continuing Jobless Claims		1,925K	1,943K	
7:00 PM	U.S.	Initial Jobless Claims		241K	245K	
8:15 PM	U.S.	Markit Composite PMI (Dec)			53.0	
8:15 PM	U.S.	Services PMI (Dec)		52.4	52.4	
9:00 PM	U.S.	Natural Gas Storage		-221B	-112B	
9:30 PM	U.S.	Crude Oil Inventories		-5.148M	-4.609M	
9:30 PM	U.S.	EIA Weekly Distillates Stocks		0.477M	1.090M	
9:30 PM	U.S.	Gasoline Inventories		2.182M	0.591M	

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