



COMMODITY REPORT

04 May 2017

ECONOMIC/GLOBAL NEWS

- Gold prices closed at their lowest level in about a month, then fell further in electronic trading as the U.S. dollar strengthened against currency rivals following the Federal Reserve's monetary policy statement. June gold was at \$1,247.50 an ounce in electronic trading, just over a half-hour after the Fed news, but it had climbed above \$1,250 in the immediate aftermath. Prices had fallen by \$8.50, or 0.7%, to settle at \$1,248.50 an ounce for the session. Meanwhile, silver for July delivery dropped 28.5 cents, or 1.7%, to \$16.546 an ounce, for the lowest settlement since early January. MCX Gold June expiry closed at rs. 28472 per 10 gram, down 0.38% while July Silver closed at Rs. 38573 per kg, down 1.26%.
- China Caixin services sector continued to expand in April, with a PMI score of 51.5. That's down from 52.2 in March.
- The Federal Reserve voted unanimously to leave its benchmark interest rate at 0.75% to 1%, but signalled another rate hike is imminent despite recent economic weakness. Downbeat economic news has given policy makers reason to take a cautious approach to further tightening -- first quarter economic growth was slow, the March jobs report flopped and core inflation remains subdued.
- U.S. ADP said private sector employment climbed by 177,000 jobs in April after surging up by a revised 255,000 jobs in March.
- U.S. final Markit services PMI was revised up to 53.1 in April, unchanged figure of 52.5. The final composite output index was revised to 53.2 from the provisional reading of 52.7 and 53.0 for March.
- U.S. ISM said its non-manufacturing index rose to 57.5 in April from 55.2 in March.
- The U.S. Energy Information Administration reported that domestic crude supplies fell by 900,000 barrels for the week ended April 28. Gasoline stockpiles edged up by 200,000 barrels, while distillate stockpiles were down 600,000 barrels last week, according to the EIA.
- Australia posted a seasonally adjusted merchandise trade surplus of A\$3.107 billion in March, down from A\$3.574 in February. Exports gained A\$776 million or 2% on month to A\$33.343 billion. Imports were up A\$1.325 billion or 5% on month to A\$30.235 billion.
- U.K. CIPS/Markit construction PMI climbed to 53.1 in April from 52.2 in March.
- Eurozone gross domestic product expanded 0.5% sequentially in the first quarter. On a yearly basis, GDP growth slowed marginally to 1.7% from 1.8% in the preceding quarter.
- Eurozone producer price inflation rose 3.9% year-over-year in March, slower than the 4.5% climb in February. On a monthly basis, producer prices dropped 0.3% in March, after remaining flat in the prior month.
- Germany's unemployment declined by 15,000 in April, compared to the expected fall of 11,000. The jobless rate held steady at 5.8%.

Index	03-May-17	02-May-17	Pts. Ch.	% Change
Dow	20957.90	20949.89	8.01	0.04
Nifty	9311.95	9313.80	-1.85	-0.02
Sensex	29894.80	29921.18	-26.38	-0.09
USD/INR	64.16	64.22	-0.06	-0.10
Dollar Index	99.08	98.83	0.25	0.25
Euro/\$1US	1.0885	1.0930	-0.0045	-0.41
\$1US/Yen	112.75	111.98	0.77	0.69
Pound/\$1US	1.2867	1.2938	-0.0071	-0.55

Market Update

- The Dow Jones Industrial Average eked out a tiny gain while other major indexes posted small losses after the Federal Reserve left monetary policy unchanged, as expected, and indicated it remains on track to deliver two more rate increases by year-end. The S&P 500 index shed 3.04 points, or 0.1%, to close at 2,388.13. The Nasdaq Composite Index retreated from its record close on Tuesday to fall 22.82 points, or 0.4%, to 6,072.55.
- Indian market ended a lacklustre session of trade with small losses.

Currency Update

- The dollar touched a 6-week high against the yen after the Federal Reserve said the economy's first-quarter slowdown was likely the result of transitory factors. Against the yen, the dollar advanced to ¥112.63, its highest level since March 21. It had traded at ¥111.99. The ICE Dollar Index was up 0.3% at 99.23. The WSJ Dollar Index rose 0.4% to 90. In other trading, one euro bought \$1.0900, down from \$1.0932. The pound traded at \$1.2882, slipping from \$1.2939.
- The rupee strengthened by 6 paise to close at 64.16 against the US currency on sustained dollar unwinding by exporters and banks, extending its gains for a second session. The home currency largely trapped in a narrow range and oscillated between 64.1025 and 64.1675 throughout the session. The rupee resumed substantially higher at 64.12 compared to previous close of 64.22 at the Interbank Foreign Exchange market here. After moving in a narrow range during the day, it settled at 64.16, a gain of 6 paise, or 0.10%. The RBI fixed the reference rate for the dollar at 64.1439.

Name of the ETF	Holdings In Tonnes As		%Ch
	03-May-17	02-May-17	
SPDR Gold ETF	853.36	853.36	0.00
iShares Silver Trust	10412.74	10417.23	-0.04

Symbol	03-May-17		Ratio
	Close	Close	
Gold v/s Silver	1249	16.546	75.46
Gold v/s Crude Oil	1249	47.82	26.11

Bullion	Closing		% Ch
	03-May-17	02-May-17	
Gold Jun MCX	28472	28582	-0.38
Gold Jun Comex	1249	1257	-0.68
Silver Jul MCX	38573	39065	-1.26
Silver Jul Comex	16.546	16.831	-1.69
Energy			
Crude Oil May MCX	3067	3087	-0.65
Crude Jun Nymex	47.82	47.66	0.34
Natural Gas May MCX	207.30	204.60	1.32
Nat. Gas Jun Henry Hub	3.228	3.195	1.03

LME Inventories (In Tonnes)

Base Metals	03-May-17	02-May-17	Change	% Change
Aluminum	1617100	1633325	-16225	-0.99
Copper	284925	253675	31250	12.32
Nickel	380472	379182	1290	0.34
Lead	168700	169425	-725	-0.43
Zinc	344725	348225	-3500	-1.01

Base Metals	Closing		% Ch
	03-May-17	02-May-17	
Aluminium May	123.15	123.75	-0.48
Copper Jun	362.25	376.10	-3.68
Nickel May	595.00	614.00	-3.09
Lead May	140.85	144.25	-2.36
Zinc May	165.00	170.15	-3.03

ECONOMIC CALENDER

Friday May 04, 2017

Time	Country	Event	Actual	Forecast	Previous
7:00 AM	Australia	Exports (MoM) (Mar)	2%		1%
7:00 AM	Australia	Imports (MoM) (Mar)	5%		-5%
7:00 AM	Australia	Trade Balance (Mar)	3.107B	3.400B	3.574B
7:15 AM	China	Caixin Services PMI (Apr)	51.5	52.6	52.2
10:30 AM	India	Nikkei Services PMI (Apr)			51.5
1:20 PM	France	French Markit Composite PMI (Apr)		57.4	57.4
1:20 PM	France	French Services PMI (Apr)		57.7	57.7
1:25 PM	Germany	German Composite PMI (Apr)		56.3	56.3
1:25 PM	Germany	German Services PMI (Apr)		54.7	54.7
1:30 PM	Eurozone	Markit Composite PMI (Apr)		56.7	56.7
1:30 PM	Eurozone	Services PMI (Apr)		56.2	56.2
2:00 PM	U.K.	Services PMI (Apr)		54.5	55.0
2:30 PM	Eurozone	Retail Sales (YoY) (Mar)		2.1%	1.8%
2:30 PM	Eurozone	Retail Sales (MoM) (Mar)		0.1%	0.7%
6:00 PM	U.S.	Continuing Jobless Claims		2,000K	1,988K
6:00 PM	U.S.	Initial Jobless Claims		247K	257K
6:00 PM	U.S.	Trade Balance (Mar)		-44.50B	-43.60B
7:30 PM	U.S.	Factory Orders (MoM) (Mar)		0.4%	1.0%
8:00 PM	U.S.	Natural Gas Storage		61B	74B
10:00 PM	Eurozone	ECB President Draghi Speaks			

DISCLAIMER

This document has been prepared by ICFL (100% Subsidiary Company of Shriram Insight Share Brokers Ltd) and is meant for sole use by the recipient and not for circulation. This document is not to be reported or copied or made available to others. The information contained herein is from sources believed reliable. It should not be considered to be taken as an offer to sell or a solicitation to buy and sell any Commodity or as an official confirmation of any transaction. We do not represent that it is accurate or complete and it should not be relied upon as such. This document is prepared for assistance only and is not intended to be and must not alone be taken as the basis for an investment decision. The investments discussed or recommended in this report may not be suitable for all investors. ICFL (100% Subsidiary Company of Shriram Insight Share Brokers Ltd) Recommendation Service is a general recommendation service and is not to be construed as an individual investor specific Portfolio Management and Advisory Service.

The user assumes the entire risk of any use made of this information. Each recipient of this document should arrive at an independent evaluation of an investment in the Commodities to in this document and should consult its own advisors to determine the merits and risks of such an investment.

ICFL (100% Subsidiary Company of Shriram Insight Share Brokers Ltd) shall not be responsible for any loss or liability incurred to the user as a consequence of his or any other person on his behalf taking any investment decisions based on the information, recommendations, research reports, analysis, quotes, etc. provided on the web site.

ICFL (100% Subsidiary Company of Shriram Insight Share Brokers Ltd) shall also not be liable for errors, omissions or typographical errors, disruption delay, interruption, failure, deletion or defect of/in the Service provided by it.

All Users of the Service in countries other than India understand that by using the Service, they may be violating the local laws in such countries. If the User chooses to access the Service from outside India, he shall be responsible for compliance with foreign and local laws