



# COMMODITY REPORT

04 September 2017

## ECONOMIC/GLOBAL NEWS

- Gold prices remained close to nine-and-a-half-month highs, shrugging off a rebound in the dollar, as a weak nonfarm payrolls report fuelled demand for the precious metal. December gold added \$8.20, or 0.62%, to settle at \$1,330.40 an ounce. MCX Gold October expiry closed at Rs. 29823 per 10 gram, up 0.26%.
- U.S. non-farm payroll employment climbed by 156,000 jobs in August. Job growth in July was downwardly revised to 189,000 jobs, respectively. Additionally, the private sector created fewer of the new job contracts than expected in August with a total of 165,000. July's number was revised down to 202,000 private nonfarm payrolls. The unemployment rate inched up to 4.4% in August from 4.3% in July.
- U.S. consumer sentiment index for August was downwardly revised to 96.8 from the preliminary reading of 97.6, the consumer sentiment index is still up from 93.4 in July.
- U.S. ISM said its manufacturing PMI climbed to 58.8 in August from 56.3 in July.
- U.S. IHS Markit U.S. manufacturing PMI dropped to 52.8 in August from 53.3 in July.
- U.S. total vehicle sales came in at 16.14 million seasonally adjusted on an annual basis in August. That is down from 16.77 million in July.
- U.K. Markit/Chartered Institute of Procurement & Supply PMI rose unexpectedly to 56.9 in August from 55.3 in July.
- Eurozone manufacturing PMI rose to 57.4 in August, from 56.6 in July and equalling June's 74-month high.
- Germany headline IHS Markit/BME factory PMI rose to 59.3 in August from July's five-month low of 58.1. The flash score for August was 59.4.
- France's manufacturing PMI climbed to 55.8 in August from 54.9 a month ago. The flash reading was 55.8.
- India's Nikkei manufacturing PMI climbed to 51.2 in August from July's 101-month low of 47.9.

Index	01-Sep-17	31-Aug-17	Pts. Ch.	% Change
<b>Dow</b>	21987.56	21948.10	<b>39.46</b>	<b>0.18</b>
<b>Nifty</b>	9974.40	9917.90	<b>56.50</b>	<b>0.57</b>
<b>Sensex</b>	31892.23	31730.49	<b>161.74</b>	<b>0.51</b>
<b>USD/INR</b>	64.02	63.90	<b>0.12</b>	<b>0.19</b>
<b>Dollar Index</b>	92.77	92.63	<b>0.14</b>	<b>0.15</b>
<b>Euro/\$1US</b>	1.1859	1.1910	<b>-0.0051</b>	<b>-0.43</b>
<b>\$1US/Yen</b>	110.27	109.97	<b>0.30</b>	<b>0.27</b>
<b>Pound/\$1US</b>	1.2951	1.2931	<b>0.0020</b>	<b>0.15</b>

## Market Update

- U.S. equities finished the week and the first trading day of September with a gain, on expectations that a weaker-than-expected rise in August nonfarm payrolls could dull the Federal Reserve's desire to further raise borrowing costs in 2017. The S&P 500 ended at 2,476.55, up 4.9 points, or 0.2%. The technology-laden Nasdaq Composite Index rose 6.67 points, or 0.1%, to finish at 6,435.33.
- Indian market settled with modest gains as domestic data showing Q1 June 2017 gross domestic product falling to a three-year low raised expectations that the central bank may cut rates to perk up growth. Firmness in global stocks and private data showing rebound in India's manufacturing activity in August also boosted sentiment. Indices gained for the third day in a row.

## Currency Update

- The U.S. dollar was little changed and for the week, amid choppy trade that saw the currency recover from a short-lived downdraft following weaker-than-expected jobs report. The ICE U.S. Dollar Index was trading at 92.811, up slightly from 92.650. The euro changed hands at \$1.1864, compared with \$1.1909. The British pound strengthened against the buck, changing hands at \$1.2955, compared with \$1.2931. The dollar edged up against the Japanese yen rising to ¥110.28 from ¥109.98.
- The rupee today retreated from its three-week high by losing 12 paise against the US dollar to end at 64.02 after the latest GDP numbers showed the country's growth slowed to a three-year low. The rupee opened a tad weak at 63.92 from Thursday's close of 63.90 at the Interbank Foreign Exchange (forex) market on fresh bouts of dollar demand. It remained under pressure most part of the day and once again breached the significant 64-mark to hit an intra-day low of 64.05 before ending at 64.02, showing a steep fall of 12 paise, or 0.19%. The RBI fixed the reference rate for the dollar at 63.9804.

Name of the ETF	Holdings In Tonnes As		%Ch
	01-Sep-17	31-Aug-17	
<b>SPDR Gold ETF</b>	831.21	816.43	<b>1.81</b>
<b>iShares Silver Trust</b>	10304.24	10318.94	<b>-0.14</b>

Symbol	01-Sep-17		Ratio
	Close	Close	
<b>Gold v/s Silver</b>	1330	17.816	<b>74.67</b>
<b>Gold v/s Crude Oil</b>	1330	47.29	<b>28.13</b>

Bullion	Closing		% Ch
	01-Sep-17	31-Aug-17	
<b>Gold Oct MCX</b>	29823	29745	<b>0.26</b>
<b>Gold Dec Comex</b>	1330	1322	<b>0.62</b>
<b>Silver Dec MCX</b>	40926	40700	<b>0.56</b>
<b>Silver Dec Comex</b>	17.816	17.575	<b>1.37</b>
<b>Energy</b>			
<b>Crude Oil Sep MCX</b>	3021	3038	<b>-0.56</b>
<b>Crude Oct Nymex</b>	47.29	47.23	<b>0.13</b>
<b>Natural Gas Sep MCX</b>	196.90	194.80	<b>1.08</b>
<b>Nat. Gas Oct Henry Hub</b>	3.070	3.040	<b>0.99</b>

## LME Inventories (In Tonnes)

Base Metals	01-Sep-17	31-Aug-17	Change	% Change
<b>Aluminum</b>	1323550	1323150	<b>400</b>	<b>0.03</b>
<b>Copper</b>	223500	228450	<b>-4950</b>	<b>-2.17</b>
<b>Nickel</b>	388824	389154	<b>-330</b>	<b>-0.08</b>
<b>Lead</b>	148425	148675	<b>-250</b>	<b>-0.17</b>
<b>Zinc</b>	244025	244175	<b>-150</b>	<b>-0.06</b>

Base Metals	Closing		% Ch
	01-Sep-17	31-Aug-17	
<b>Aluminium Sept</b>	136.05	135.55	<b>0.37</b>
<b>Copper Nov</b>	441.95	440.80	<b>0.26</b>
<b>Nickel Sept</b>	773.80	754.80	<b>2.52</b>
<b>Lead Sept</b>	152.65	152.90	<b>-0.16</b>
<b>Zinc Sept</b>	204.80	201.85	<b>1.46</b>

## ECONOMIC CALENDER

Monday September 04 2017

Time	Country	Event	Actual	Forecast	Previous
2:00 PM	U.K.	<b>Construction PMI (Aug)</b>		52.0	51.9
2:00 PM	Eurozone	<b>Sentix Investor Confidence (Sep)</b>		27.4	27.7
2:30 PM	Eurozone	<b>PPI (MoM) (Jul)</b>		0.1%	-0.1%
2:30 PM	Eurozone	<b>PPI (YoY) (Jul)</b>		2.2%	2.5%

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