



# COMMODITY REPORT

05 January 2018

## ECONOMIC/GLOBAL NEWS

- Natural gas futures turned around and registered losses, after data showed that natural gas supplies in storage in the U.S. declined less than expected last week. The U.S. Energy Information Administration reported that domestic supplies of natural gas fell by 206 billion cubic feet for the week ended Dec. 29. Total stocks now stand at 3.126 trillion cubic feet, down 192 billion cubic feet from the year ago and five-year averages, government data showed. February natural gas fell 4.26% to \$2.88 per million British thermal units. MCX Natural Gas January expiry closed at Rs. 185.20 per British thermal unit, down 2.99%.
- U.S. initial jobless claims edged up to 250,000 in the week ended December 30th, an increase of 3,000 from the previous week's revised level of 247,000. Continuing claims fell by 37,000 to 1.914 million in the week ended December 23rd.
- U.S. seasonally adjusted final IHS Markit Services Business Activity Index registered 53.7 in December, down from 54.5 in November. The final seasonally adjusted IHS Markit U.S. Composite PMI Output Index fell to 54.1 in December, down from 54.5 in November.
- U.S. ADP said employment in the private sector surged up by 250,000 jobs in December after climbing by a downwardly revised 185,000 jobs in November.
- The U.S. Energy Information Administration showed that domestic crude supplies fell by 7.4 million barrels for the week ended Dec. 29. The EIA report also said gasoline stockpiles climbed by 4.8 million barrels for the week, while distillate stockpiles jumped up by 8.9 million barrels.
- U.K. IHS Markit/CIPS services PMI rose to 54.2 in December from 53.8 in November.
- U.K. house prices grew 2.6% year-on-year in December, slightly faster than the 2.5% rise seen in November. On a monthly basis, house price growth increased to 0.6% from 0.1% a month ago.
- Eurozone IHS Markit composite output index rose to 58.1 in December from 57.5 in November. The services PMI improved to 56.6 from 56.2 in November.
- France's composite PMI fell to 59.6 from 60.3 in November. Similarly, the final services PMI slid to 59.1 from 60.4 a month ago.
- Germany's composite PMI climbed to an 80-month high of 58.9 from 57.3 in the previous month. At the same time, the services PMI improved to 55.8, from 54.3 in November.
- Australia had a seasonally adjusted merchandise trade deficit of A\$628 million in November, following the downwardly revised (302 million shortfall in October (originally a surplus of A\$105 million). Imports were up A\$467 million or 1.0% on month to A\$32.481 billion in November. Exports were roughly flat at A\$31.853 billion, up A\$141 million from a month earlier.
- Japan Nikkei services sector continued to expand in December, with a Services PMI score of 51.1. That's down from 51.2 in November
- India's seasonally adjusted Nikkei India composite output index climbed to 53.0 in December from 50.3 in November. The headline services PMI rose to 50.9 in December from 48.5 in the previous month.

Index	04-Jan-18	03-Jan-18	Pts. Ch.	% Change
<b>Dow</b>	25075.13	24922.68	<b>152.45</b>	<b>0.61</b>
<b>Nifty</b>	10504.80	10443.20	<b>61.60</b>	<b>0.59</b>
<b>Sensex</b>	33969.64	33793.38	<b>176.26</b>	<b>0.52</b>
<b>USD/INR</b>	63.40	63.53	<b>-0.13</b>	<b>-0.20</b>
<b>Dollar Index</b>	91.60	91.90	<b>-0.30</b>	<b>-0.33</b>
<b>Euro/\$1US</b>	1.2067	1.2014	<b>0.0053</b>	<b>0.44</b>
<b>\$1US/Yen</b>	112.81	112.50	<b>0.31</b>	<b>0.28</b>
<b>Pound/\$1US</b>	1.3552	1.3516	<b>0.0036</b>	<b>0.27</b>

## Market Update

- U.S. stock-market indexes closed at all-time highs, while the Dow topped the 25,000 milestone for the first time. The S&P 500 rose 10.93 points, or 0.4%, to close at 2,723.99. The Nasdaq Composite Index gained 12.38 points, or 0.2%, finishing at 7,077.91.
- Indian market advanced and settled with modest gains on broad-based buying support as positive cues from global stock markets boosted investors sentiment. Private survey showing India's services activity returning to marginal growth during December also boosted sentiment.

## Currency Update

- The U.S. dollar resumed its weakness against most major currencies, thanks to the euro climbing to a three-year high, allowing dollar rivals to advance. The ICE U.S. Dollar Index fell 0.3% to 91.858. The broader WSJ U.S. Dollar Index fell 0.2% to 85.62. The euro retreated from its session high of \$1.2090, its highest level since Jan. 1, 2015, back to \$1.2072, compared with \$1.2014. The pound firmed to \$1.3556 from \$1.3516. Against the Japanese yen, the dollar strengthened, making it the outlier in the G-10 currency pack. One dollar bought ¥112.76, compared with ¥112.51.
- After its brief overnight pause, the rupee again bounced back to end at a fresh 2-1/2 year high of 63.40, gaining by 13 paise against the US dollar on optimism over a brightening economic picture. Earlier in the day, the rupee resumed lower at 63.59 as compared to overnight close of 63.53 at the Interbank Foreign Exchange (forex) market on bouts of dollar demand. It weakened further to touch a low of 63.62 in mid-morning deals before rebounding sharply. After hitting session's high of 63.36, the local unit traded in a narrow range most part of the day as fresh dollar purchases by a large state-run bank, likely on behalf of the central bank acted as a tough resistance for the domestic currency before ending at 63.41, showing a good gain of 13 paise, or 0.20%.

Name of the ETF	Holdings In Tonnes As		%Ch
	04-Jan-18	03-Jan-18	
<b>SPDR Gold ETF</b>	836.04	836.32	<b>-0.03</b>
<b>iShares Silver Trust</b>	9904.09	9968.64	<b>-0.65</b>

Symbol	04-Jan-18		Ratio
	Close	Close	
<b>Gold v/s Silver</b>	1322	17.269	<b>76.53</b>
<b>Gold v/s Crude Oil</b>	1322	62.01	<b>21.31</b>

Bullion	Closing		% Ch
	04-Jan-18	03-Jan-18	
<b>Gold Feb MCX</b>	29230	29225	<b>0.02</b>
<b>Gold Feb Comex</b>	1322	1319	<b>0.24</b>
<b>Silver Mar MCX</b>	39276	39300	<b>-0.06</b>
<b>Silver Mar Comex</b>	17.269	17.267	<b>0.01</b>
<b>Energy</b>			
<b>Crude Oil Jan MCX</b>	3921	3903	<b>0.46</b>
<b>Crude Feb Nymex</b>	62.01	61.63	<b>0.62</b>
<b>Natural Gas Jan MCX</b>	185.20	190.90	<b>-2.99</b>
<b>Nat. Gas Feb Henry Hub</b>	2.880	3.008	<b>-4.26</b>

## LME Inventories (In Tonnes)

Base Metals	04-Jan-18	03-Jan-18	Change	% Change
<b>Aluminum</b>	1101325	1101800	<b>-475</b>	<b>-0.04</b>
<b>Copper</b>	200150	200225	<b>-75</b>	<b>-0.04</b>
<b>Nickel</b>	365934	366072	<b>-138</b>	<b>-0.04</b>
<b>Lead</b>	142075	142075	<b>0</b>	<b>0.00</b>
<b>Zinc</b>	180575	180825	<b>-250</b>	<b>-0.14</b>

Base Metals	Closing		% Ch
	04-Jan-18	03-Jan-18	
<b>Aluminium Jan</b>	142.00	141.40	<b>0.42</b>
<b>Copper Feb</b>	457.70	457.55	<b>0.03</b>
<b>Nickel Jan</b>	801.00	790.90	<b>1.28</b>
<b>Lead Jan</b>	163.20	163.60	<b>-0.24</b>
<b>Zinc Jan</b>	213.90	212.35	<b>0.73</b>

## ECONOMIC CALENDER

Friday January 05 2018

Time	Country	Event	Actual	Forecast	Previous
6:00 AM	Australia	<b>Exports (MoM) (Nov)</b>	<b>0%</b>		-3%
6:00 AM	Australia	<b>Imports (MoM) (Nov)</b>	<b>1%</b>		2%
6:00 AM	Australia	<b>Trade Balance (Nov)</b>	<b>-0.628B</b>	0.550B	0.105B
12:30 PM	Germany	<b>German Retail Sales (YoY) (Nov)</b>		2.5%	-1.4%
12:30 PM	Germany	<b>German Retail Sales (MoM) (Nov)</b>		1.1%	-1.2%
1:15 PM	France	<b>French Consumer Confidence (Dec)</b>		103	102
1:15 PM	France	<b>French CPI (MoM)</b>		0.3%	0.1%
2:40 PM	Eurozone	<b>Retail PMI</b>			52.4
3:30 PM	Eurozone	<b>Core CPI (YoY)</b>		1.0%	0.9%
3:30 PM	Eurozone	<b>CPI (YoY) (Dec)</b>		1.4%	1.5%
3:30 PM	Eurozone	<b>PPI (YoY) (Nov)</b>		2.5%	2.5%
3:30 PM	Eurozone	<b>PPI (MoM) (Nov)</b>		0.3%	0.4%
5:00 PM	India	<b>Bank Loan Growth</b>			9.8%
5:00 PM	India	<b>Deposit Growth</b>			3.3%
5:00 PM	India	<b>FX Reserves, USD</b>			404.92B
7:00 PM	U.S.	<b>Nonfarm Payrolls (Dec)</b>		190K	228K
7:00 PM	U.S.	<b>Private Nonfarm Payrolls (Dec)</b>		185K	221K
7:00 PM	U.S.	<b>Trade Balance (Nov)</b>		-49.50B	-48.70B
7:00 PM	U.S.	<b>Unemployment Rate (Dec)</b>		4.1%	4.1%
8:30 PM	U.S.	<b>Durable Goods Orders (MoM)</b>			1.3%
8:30 PM	U.S.	<b>Factory Orders (MoM) (Nov)</b>		1.1%	-0.1%
8:30 PM	U.S.	<b>ISM Non-Manufacturing PMI (Dec)</b>		57.8	57.4

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