



# COMMODITY REPORT

05 February 2018

## ECONOMIC/GLOBAL NEWS

- Gold futures ended lower, after a stronger-than-expected U.S. jobs report drove up the dollar and Treasury yields as the data laid some groundwork for a potentially more aggressive Federal Reserve interest-rate response this year. April gold shed \$10.60, or 0.8%, to settle at \$1,337.30 an ounce. MCX Gold April expiry closed at Rs. 30336 per 10 gram, down 0.36%.
- China's Caixin composite output index climbed to 53.7 in January from 53.0 in December. The seasonally adjusted General Services Business Activity Index rose to 54.7 in January from 53.9 in the preceding month.
- U.S. non-farm payroll employment surged up by 200,000 jobs in January after climbing by an upwardly revised 160,000 jobs in December. Additionally, the private sector created more new job contracts than expected in January with a total of 196,000. The unemployment rate came in at 4.1% in January, unchanged from the three previous months.
- U.S. consumer sentiment index for January was upwardly revised to 95.7 from the preliminary reading of 94.4.
- U.S. factory orders surged up by 1.7% in December, matching the upwardly revised jump seen in November.
- U.K. IHS Markit/CIPS construction PMI fell more-than-expected to 50.2 in January from 52.2 in December.
- Eurozone producer price inflation climbed 2.2% year-over-year in December, slower than the 2.8% rise in November. On a monthly basis, producer prices edged up 0.2% from November, when it rose by 0.6%.
- Japan's seasonally adjusted services PMI, rose to 51.9 in January from 51.1 in December. The Nikkie composite output index climbed to 52.8 in January from 52.2 in the preceding month.
- Hong Kong's Nikkei PMI fell to a seasonally adjusted 51.1 in January from 51.5 in the previous month.

Index	02-Feb-18	01-Feb-18	Pts. Ch.	% Change
<b>Dow</b>	25520.96	26186.71	<b>-665.75</b>	<b>-2.54</b>
<b>Nifty</b>	10760.60	11016.90	<b>-256.30</b>	<b>-2.33</b>
<b>Sensex</b>	35066.75	35906.66	<b>-839.91</b>	<b>-2.34</b>
<b>USD/INR</b>	64.06	64.02	<b>0.04</b>	<b>0.06</b>
<b>Dollar Index</b>	89.04	88.50	<b>0.54</b>	<b>0.61</b>
<b>Euro/\$1US</b>	1.2462	1.2510	<b>-0.0048</b>	<b>-0.38</b>
<b>\$1US/Yen</b>	110.11	109.41	<b>0.70</b>	<b>0.64</b>
<b>Pound/\$1US</b>	1.4123	1.4265	<b>-0.0142</b>	<b>-1.00</b>

## Market Update

- U.S. stocks sold off sharply with the main benchmarks suffering their biggest one-day drops in more than a year and posting the steepest weekly losses in about two years. The S&P 500 index fell 59.85 points, or 2.1%, to close at 2,762.13. The Nasdaq Composite Index slid 144.92 points, or 2%, to end at 7,240.95.
- Indian market corrected sharply as introduction of long-term capital gains tax (LTCG) in the Union Budget 2018-19 unveiled yesterday, 1 February 2018, disappointed investors. The Nifty settled below the psychological 11,000 mark. The Sensex and the Nifty, both, settled at their lowest closing levels in more than two weeks.

## Currency Update

- The U.S. dollar was on track to break a three-session skid, rising firmly against its major currencies as U.S. jobs data showed that wages were rising, underlining expectations for a pickup in inflation. The ICE U.S. Dollar Index rose 0.6% to 89.177, erasing a weekly decline. This puts the index at its biggest daily gain since late October. The wider WSJ Dollar Index rose 0.7% to 83.58. The euro fell to \$1.2459 from \$1.2507. The pound declined to \$1.4121 from \$1.4261. The buck also advanced against the Japanese yen buying ¥110.16, compared with ¥109.41.
- The rupee extended its losses for the second straight session, weakening by 4 paise at 64.06 a dollar as forex traders appeared cautious in view of upward revision of fiscal deficit target and the net borrowing for the current fiscal in yesterday's Union Budget. The rupee oscillated in the range of 63.72 and 64.20 during the day. Earlier in the day, the rupee opened substantially weak at 64.12 from Thursday's close of 64.02. After hitting an intra-day high of 63.72, the home currency retreated sharply towards the tail-end trade due renewed dollar pressure and settled with a modest 4 paise loss at 64.06. The RBI meanwhile fixed the reference rate for the dollar at 64.0781.

Name of the ETF	Holdings In Tonnes As		%Ch
	02-Feb-18	01-Feb-18	
<b>SPDR Gold ETF</b>	841.35	841.35	<b>0.00</b>
<b>iShares Silver Trust</b>	9732.72	9736.88	<b>-0.04</b>

Symbol	02-Feb-18		Ratio
	Close	Close	
<b>Gold v/s Silver</b>	1337	16.709	<b>80.03</b>
<b>Gold v/s Crude Oil</b>	1337	65.45	<b>20.43</b>

Bullion	Closing		% Ch
	02-Feb-18	01-Feb-18	
<b>Gold Apr MCX</b>	30336	30446	<b>-0.36</b>
<b>Gold Apr Comex</b>	1337	1348	<b>-0.79</b>
<b>Silver Mar MCX</b>	38651	39309	<b>-1.67</b>
<b>Silver Mar Comex</b>	16.709	17.155	<b>-2.60</b>
<b>Energy</b>			
<b>Crude Oil Feb MCX</b>	4186	4195	<b>-0.21</b>
<b>Crude Mar Nymex</b>	65.45	65.80	<b>-0.53</b>
<b>Natural Gas Feb MCX</b>	184.90	183.70	<b>0.65</b>
<b>Nat. Gas Mar Henry Hub</b>	2.846	2.856	<b>-0.35</b>

## LME Inventories (In Tonnes)

Base Metals	02-Feb-18	01-Feb-18	Change	% Change
<b>Aluminum</b>	1077650	1080550	<b>-2900</b>	<b>-0.27</b>
<b>Copper</b>	304325	304675	<b>-350</b>	<b>-0.11</b>
<b>Nickel</b>	353592	355266	<b>-1674</b>	<b>-0.47</b>
<b>Lead</b>	132325	133250	<b>-925</b>	<b>-0.69</b>
<b>Zinc</b>	168800	170700	<b>-1900</b>	<b>-1.11</b>

Base Metals	Closing		% Ch
	02-Feb-18	01-Feb-18	
<b>Aluminium Feb</b>	141.70	142.55	<b>-0.60</b>
<b>Copper Feb</b>	452.75	454.70	<b>-0.43</b>
<b>Nickel Feb</b>	866.80	894.40	<b>-3.09</b>
<b>Lead Feb</b>	171.90	171.25	<b>0.38</b>
<b>Zinc Feb</b>	226.40	229.35	<b>-1.29</b>

## ECONOMIC CALENDER

Monday February 05 2018					
Time	Country	Event	Actual	Forecast	Previous
7:15 AM	China	<b>Caixin Services PMI (Jan)</b>	<b>54.7</b>	53.6	53.9
10:30 AM	India	<b>Nikkei Services PMI (Jan)</b>			50.9
2:20 PM	France	<b>French Markit Composite PMI (Jan)</b>		59.7	59.7
2:20 PM	France	<b>French Services PMI (Jan)</b>		59.3	59.3
2:25 PM	Germany	<b>German Composite PMI (Jan)</b>		58.8	58.8
2:25 PM	Germany	<b>German Services PMI (Jan)</b>		57.0	57.0
2:30 PM	Eurozone	<b>Markit Composite PMI (Jan)</b>		58.6	58.6
2:30 PM	Eurozone	<b>Services PMI (Jan)</b>		57.6	57.6
3:00 PM	U.K.	<b>Services PMI (Jan)</b>		54.1	54.2
3:00 PM	Eurozone	<b>Sentix Investor Confidence (Feb)</b>		33.2	32.9
3:30 PM	Eurozone	<b>Retail Sales (YoY) (Dec)</b>		1.9%	2.8%
3:30 PM	Eurozone	<b>Retail Sales (MoM) (Dec)</b>		-1.1%	1.5%
8:15 PM	U.S.	<b>Markit Composite PMI (Jan)</b>		53.9	53.8
8:15 PM	U.S.	<b>Services PMI (Jan)</b>		53.5	53.3
8:30 PM	U.S.	<b>ISM Non-Manufacturing PMI (Jan)</b>		56.5	56.0
9:30 PM	Eurozone	<b>ECB President Draghi Speaks</b>			

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