



# COMMODITY REPORT

06 March 2017

## ECONOMIC/GLOBAL NEWS

- Oil futures settled higher, buoyed by uncertainty surrounding Libya's crude production, but prices still registered a loss for the week on the back of rising U.S. output. On the New York Mercantile Exchange, April West Texas Intermediate crude tacked on 72 cents, or 1.37%, to settle at \$53.33 a barrel. MCX Crude Oil March expiry closed at Rs. 3556 per barrel, up 0.54%.
- U.S. final Markit services PMI revised slightly lower to 53.8 in February from the flash reading of 53.9 and 55.6 in January. The composite index also edged lower to 54.1 from the flash reading of 54.3 and January's 55.8.
- U.S. ISM said its non-manufacturing index climbed to 57.6 in February from 56.5 in January.
- U.K. CIPS PMI for the services sector dropped to 53.3 in February from 54.5 in January.
- Eurozone retail sales slid 0.1% month-on-month in January, following a 0.5% fall in December. On a yearly basis, retail sales growth held steady at 1.2% in January.
- Eurozone composite output index rose to a 70-month high of 56.0 in February, from 54.4 in January. The services PMI climbed slightly less than estimated to 55.5 from 53.7 a month ago.
- Germany's retail sales climbed 2.3% year-on-year in January, following a revised 0.4% rise in December. On a monthly basis, retail sales fell 0.8% after staying flat a month ago. Sales were forecast to drop 0.1%.
- German composite PMI rose to 56.1 in February, from 54.8 in January. Likewise, the services PMI increased as estimated to 54.4 from 53.4 in January.
- French composite PMI rose less-than-estimated to 55.9 in February from 54.1 in January. Similarly, the services PMI climbed to 56.4 from 54.1 a month ago. The flash score was 56.7.
- Australia's retail sales rose a seasonally adjusted 0.4% month-over-month in January, reversing a 0.1% slight decrease in December.
- India's Nikkei Composite PMI rose to 50.7 in February from 49.4 in January. The Services Business Activity Index also climbed to 50.3 in February from 48.7 in the preceding month.

Index	03-Mar-17	02-Mar-17	Pts. Ch.	% Change
<b>Dow</b>	21005.71	21002.97	<b>2.74</b>	<b>0.01</b>
<b>Nifty</b>	8897.55	8899.75	<b>-2.20</b>	<b>-0.02</b>
<b>Sensex</b>	28832.45	28839.79	<b>-7.34</b>	<b>-0.03</b>
<b>USD/INR</b>	66.82	66.71	<b>0.10</b>	<b>0.15</b>
<b>Dollar Index</b>	101.55	102.20	<b>-0.65</b>	<b>-0.64</b>
<b>Euro/\$1US</b>	1.0623	1.0507	<b>0.0116</b>	<b>1.10</b>
<b>\$1US/Yen</b>	114.02	114.41	<b>-0.39</b>	<b>-0.34</b>
<b>Pound/\$1US</b>	1.2295	1.2267	<b>0.0028</b>	<b>0.23</b>

## Market Update

- U.S. stocks eked out gains, extending a weekly advance, as comments from Janet Yellen and other key Federal Reserve officials confirmed growing expectations of a March interest-rate increase. The S&P 500 index closed up 1.2 points at 2,383.12. The Nasdaq Composite Index rose 9.53 points, or 0.2%, to 5,870.75.
- Indian market ended with tiny losses after witnessing intraday recovery as weakness in global stocks affected sentiment.

## Currency Update

- The dollar weakened against the euro and yen on Friday, but still managed to finish higher on the week against its Japanese rival, after Federal Reserve Chairwoman Janet Yellen signaled that the central bank would likely raise interest rates at its coming meeting. The greenback was changing hands at ₹113.93, compared with ₹114.40. The U.S. currency had touched ₹114.59. The euro rocket strengthened to \$1.0614, cementing a weekly gain of 0.5%. By comparison, it traded at \$1.0507. The ICE U.S. Dollar Index hit a two-month high of 102.16. The dollar gauge has since pulled back to 101.44. The WSJ Dollar Index retreated 0.1% to 91.89.
- The rupee turned shaky after a brief overnight recovery and ended lower by 10 paise at 66.82 against the US dollar. The domestic currency resumed substantially lower at 66.87 from Thursday's close of 66.71 at the Interbank Foreign Exchange (Forex) Market. It remained subdued throughout the day and mostly traded in a tight range of 66.79 and 66.8850 before concluding at 66.81, showing a loss of 10 paise, or 0.15%. The RBI fixed the reference rate for the dollar at 66.8354.

Name of the ETF	Holdings In Tonnes As		%Ch
	03-Mar-17	02-Mar-17	
<b>SPDR Gold ETF</b>	840.58	845.32	<b>-0.56</b>
<b>iShares Silver Trust</b>	10350.88	10424.54	<b>-0.71</b>

Symbol	03-Mar-17		Ratio
	Close	Close	
<b>Gold v/s Silver</b>	1227	17.740	<b>69.14</b>
<b>Gold v/s Crude Oil</b>	1227	53.33	<b>23.00</b>

Bullion	Closing		% Ch
	03-Mar-17	02-Mar-17	
<b>Gold Apr MCX</b>	29020	29170	<b>-0.51</b>
<b>Gold Apr Comex</b>	1227	1233	<b>-0.52</b>
<b>Silver May MCX</b>	42532	42643	<b>-0.26</b>
<b>Silver May Comex</b>	17.740	17.748	<b>-0.05</b>
<b>Energy</b>			
<b>Crude Oil Mar MCX</b>	3556	3537	<b>0.54</b>
<b>Crude Apr Nymex</b>	53.33	52.61	<b>1.37</b>
<b>Natural Gas Mar MCX</b>	187.10	188.20	<b>-0.58</b>
<b>Nat. Gas Apr Henry Hub</b>	2.827	2.804	<b>0.82</b>

## LME Inventories (In Tonnes)

Base Metals	03-Mar-17	02-Mar-17	Change	% Change
<b>Aluminum</b>	2160925	2180775	<b>-19850</b>	<b>-0.91</b>
<b>Copper</b>	196425	200000	<b>-3575</b>	<b>-1.79</b>
<b>Nickel</b>	377730	378444	<b>-714</b>	<b>-0.19</b>
<b>Lead</b>	189750	189900	<b>-150</b>	<b>-0.08</b>
<b>Zinc</b>	383050	384075	<b>-1025</b>	<b>-0.27</b>

Base Metals	Closing		% Ch
	03-Mar-17	02-Mar-17	
<b>Aluminium Mar</b>	126.15	127.50	<b>-1.06</b>
<b>Copper Apr</b>	398.50	398.05	<b>0.11</b>
<b>Nickel Mar</b>	735.70	722.40	<b>1.84</b>
<b>Lead Mar</b>	150.55	150.90	<b>-0.23</b>
<b>Zinc Mar</b>	185.85	185.65	<b>0.11</b>

## ECONOMIC CALENDER

Monday Mar 06, 2017

Time	Country	Event	Actual	Forecast	Previous
6:00 AM	Australia	<b>Retail Sales (MoM) (Jan)</b>	<b>0.4%</b>	0.4%	-0.1%
2:40 PM	Eurozone	<b>Retail PMI</b>			50.1
3:00 PM	Eurozone	<b>Sentix Investor Confidence (Mar)</b>		18.5	17.4
8:30 PM	U.S.	<b>Factory Orders (MoM) (Jan)</b>		1.0%	1.3%

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