



COMMODITY REPORT

06 April 2017

ECONOMIC/GLOBAL NEWS

- Gold prices retreated after a reading of private-sector employment came in stronger than expected, steering buying to assets perceived as risky such as stocks. June gold fell \$9.90, or 0.8%, to settle at \$1,248.50 an ounce. Silver for May delivery dropped 13 cents, or 0.7%, to settle at \$18.18 an ounce. MCX Gold June expiry closed at Rs. 28805 per 10 gram, down 0.73% while May Silver closed at Rs. 42258 per kg, down 0.73%.
- China Caixin services sector continued to expand in March, with a PMI score of 52.2. That's down from 52.6 in February.
- The Federal Reserve is ready to start to shrink their bloated \$4.5 trillion balance sheet this year, the minutes of the March monetary policy meeting revealed. This is seen as a nod to the improving economy and prospect of strong medium-term economic growth.
- U.S. private sector employment soared by 263,000 jobs in March. However, the report also said the jump in employment in February was downwardly revised to 245,000 jobs from the previously reported 298,000 jobs.
- U.S. Markit final services business activity index fell to 52.8 in March from 53.8 in February. Meanwhile, the final composite PMI output index eased to 53.0 in March from 54.1 the month before.
- U.S. ISM non-manufacturing index dropped to 55.2 in March from 57.6 in February.
- The Energy Information Administration said U.S. crude inventories rose by 1.6 million barrels for the week ended March 31. There was some disappointment in smaller-than-expected declines in gasoline and distillate inventories, which fell by 600,000 barrels and 500,000 barrels, respectively.
- U.K. CIPS PMI for the services sector rose to 55.0 in March from February's 5-month low of 53.3.
- Eurozone composite output index rose to a 71-month high of 56.4 in March from 56.0 in February. The services PMI improved less-than-estimated to 56.0 from 55.5 a month ago.
- Germany's final composite output index climbed to 57.1 in March from 56.1 in February. At the same time, the services PMI came in at 55.6, versus 54.4 in February.
- French composite PMI moved up to 56.8 in March from 55.9 in February. Likewise, the services PMI stood at 57.5 versus 56.4 a month ago.

Index	05-Apr-17	04-Apr-17	Pts. Ch.	% Change
Dow	20648.15	20689.24	-41.09	-0.20
Nifty	9265.15	CLOSED	-	-
Sensex	29974.24	CLOSED	-	-
USD/INR	64.88	CLOSED	-	-
Dollar Index	100.44	100.43	0.01	0.01
Euro/\$1US	1.0663	1.0674	-0.0011	-0.10
\$1US/Yen	110.70	110.75	-0.05	-0.05
Pound/\$1US	1.2483	1.2441	0.0042	0.34

Market Update

- U.S. stocks ended lower, suffering a late selloff after minutes of the Federal Reserve's March meeting showed policy makers plan to begin unwinding the central bank's gigantic balance sheet before the end of the year. The S&P 500 finished down 7.21 points, or 0.3%, at 2,352.95. The Nasdaq Composite Index closed down 34.13 points, or 0.6%, to 5,864.48.
- Indian market registered small gains in a volatile session of trade. The Sensex settled below the psychologically important 30,000 level, which it had hit at the onset of session.

Currency Update

- The dollar strengthened against the euro and yen after minutes from the Federal Reserve's latest meeting revealed that the central bank plans to begin reducing its \$4.5 trillion balance sheet later this year. The ICE U.S. Dollar Index was up 0.1% at 100.68. The dollar rose to ¥111.06, compared with ¥110.75. Meanwhile, the euro softened to \$1.0660, compared with \$1.0670. The pound firmed to \$1.2487, compared with \$1.2440.
- The rupee staged a stellar come back after a brief pause and hit a fresh 17-month peak of 64.88 by gaining 16 paise against the US dollar. The domestic currency resumed modestly lower at 65.07 as compared to Monday's close of 65.03 at the Interbank Foreign Exchange. It remained under immense pressure and drifted further to touch an intra-day low of 65.17 amid some caution ahead of the central bank policy meet. However, overcoming the early volatility, the rupee staged a smart rebound in afternoon deals to hit a high of 64.85 before ending at 64.88, revealing a solid gain of 16 paise, or 0.24%. The RBI fixed the reference rate for the dollar at 65.0438.

Name of the ETF	Holdings In Tonnes As		%Ch
	05-Apr-17	04-Apr-17	
SPDR Gold ETF	836.77	836.77	0.00
iShares Silver Trust	10237.66	10241.90	-0.04

Symbol	05-Apr-17		Ratio
	Close	Close	
Gold v/s Silver	1249	18.187	68.65
Gold v/s Crude Oil	1249	51.15	24.41

Bullion	Closing		% Ch
	05-Apr-17	04-Apr-17	
Gold Jun MCX	28805	29016	-0.73
Gold Jun Comex	1249	1258	-0.79
Silver May MCX	42258	42570	-0.73
Silver May Comex	18.187	18.323	-0.74
Energy			
Crude Oil Apr MCX	3332	3325	0.21
Crude May Nymex	51.15	51.03	0.24
Natural Gas Apr MCX	213.10	212.80	0.14
Nat. Gas May Henry Hub	3.266	3.293	-0.82

LME Inventories (In Tonnes)

Base Metals	05-Apr-17	04-Apr-17	Change	% Change
Aluminum	1850425	1863050	-12625	-0.68
Copper	273750	279875	-6125	-2.19
Nickel	376872	374964	1908	0.51
Lead	178700	181425	-2725	-1.50
Zinc	369525	370475	-950	-0.26

Base Metals	Closing		% Ch
	05-Apr-17	04-Apr-17	
Aluminium Apr	127.50	125.85	1.31
Copper Apr	386.15	376.65	2.52
Nickel Apr	672.60	652.20	3.13
Lead Apr	150.35	150.70	-0.23
Zinc Apr	180.20	178.55	0.92

ECONOMIC CALENDER

Thursday Apr 06, 2017

Time	Country	Event	Actual	Forecast	Previous
7:15 AM	China	Caixin Services PMI (Mar)	52.2	53.2	52.6
10:30 AM	India	Nikkei Services PMI (Mar)			50.3
11:30 AM	Germany	German Factory Orders (MoM) (Feb)		4.0%	-7.4%
12:30 PM	Eurozone	ECB President Draghi Speaks			
1:40 PM	Eurozone	Retail PMI			49.9
2:30 PM	India	Cash Reserve Ratio		4.00%	4.00%
2:30 PM	India	Interest Rate Decision		6.30%	6.25%
2:30 PM	India	Reverse REPO Rate		5.80%	5.75%
6:00 PM	U.S.	Continuing Jobless Claims		2,040K	2,052K
6:00 PM	U.S.	Initial Jobless Claims		250K	258K
8:00 PM	U.S.	Natural Gas Storage		7B	-43B

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