



COMMODITY REPORT

07 February 2018

ECONOMIC/GLOBAL NEWS

- Oil settled lower, weighed down by the recent stock-market rout, as expectations for further gains in U.S. crude supplies and production dragged prices to multiweek lows. March West Texas Intermediate crude fell 76 cents, or 1.2%, to end at \$63.39 a barrel on the New York Mercantile Exchange. MCX Crude Oil February expiry closed at Rs. 4099 per barrel, down 0.10%.
- U.S. trade deficit increased 5.3% to \$53.1 billion in December, the highest level since October 2008.
- The American Petroleum Institute reported that U.S. crude supplies fell by 1.1 million barrels for the week ended Feb. 2, according to sources. The API data also showed a decline of 227,000 barrels in gasoline stockpiles, while inventories of distillates saw a surprise climb of 4.6 million barrels.
- Eurozone headline IHS Markit Retail PMI fell to 50.8 in January, from 53.0 in December.
- Germany's factory orders increased by more-than-expected 3.8% month-on-month in December, in contrast to revised 0.1% drop in November.
- Germany's IHS Markit construction PMI rose sharply to 59.8 in January, the highest since March 2011, from 53.7 in December.
- France's managers said investment in industry increased by 2% in 2017
- Taiwan's consumer prices climbed 0.88% year-over-year in January, slower than previous month's 1.22% rise. On a monthly basis, consumer prices dropped 0.35% in January.
- New Zealand's jobless rate came in at a seasonally adjusted 4.5% in the fourth quarter of 2017, after coming in at 4.6% in the three months prior.
- Australia's construction sector continued to expand in January, with a Performance of Construction Index score of 54.3. That's up from 52.8 in December.
- Japan's leading index dropped to 107.9 in December from 108.2 in November.

Index	06-Feb-18	05-Feb-18	Pts. Ch.	% Change
Dow	24912.77	24345.75	567.02	2.33
Nifty	10498.25	10666.55	-168.30	-1.58
Sensex	34195.94	34757.16	-561.22	-1.61
USD/INR	64.24	64.07	0.17	0.27
Dollar Index	89.52	89.41	0.11	0.12
Euro/\$1US	1.2380	1.2368	0.0012	0.10
\$1US/Yen	109.63	109.11	0.52	0.48
Pound/\$1US	1.3958	1.3959	-0.0001	-0.01

Market Update

- The U.S. stock market halted its death spiral to close higher Tuesday after a wild day of trading that saw the Dow ricocheting more than 1,000 points, underscoring a new regime of volatility on Wall Street. The S&P 500 index rose 46.20 points, or 1.7%, to 2,695.14 and the Nasdaq Composite Index climbed 148.36 points, or 2.1%, to 7,115.88.
- Indian market logged sharp losses in a broad-based decline tracking a global sell-off. The Sensex settled above the 34,000 level after falling below that level in intraday trade. Key indices registered losses for sixth straight session today, 6 February 2018.

Currency Update

- The U.S. dollar managed to cling to its modest gains as the global equity selloff eased and culminated in U.S. stock benchmarks finishing in positive territory after a day of choppy trading. The ICE U.S. Dollar Index was up less than 0.1% at 89.679. The broader WSJ U.S. Dollar Index was little changed at 83.79. The euro reclaimed some of its lost ground and climbed to \$1.2378 from \$1.2368. The British pound was slightly lower at \$1.3950 versus \$1.3954. Against the Japanese yen, the buck regained its strength, buying ¥109.56, up from ¥109.12.
- The rupee took a hefty knock by falling 17 paise to end at a fresh seven-week low of 64.24 against the US dollar ahead of the RBI monetary policy outcome tomorrow. The Indian currency hit a low of 64.40 intra-day before staging a recovery in line with local equities. The rupee resumed the day with a gap-down at 64.35 from Monday's close of 64.07 at the Interbank Foreign Exchange (forex) market. However, moving in tandem with the recovery trend in local equities, the home unit bounced back to cut short early steep losses and ended day at 64.24, depreciating by 17 paise, or 0.27% - the level not seen since December 19 last year. The RBI fixed the reference rate for the dollar at 64.2723.

Name of the ETF	Holdings In Tonnes As		%Ch
	06-Feb-18	05-Feb-18	
SPDR Gold ETF	829.27	841.35	-1.44
iShares Silver Trust	9767.91	9767.91	0.00

Symbol	06-Feb-18		Ratio
	Close	Close	
Gold v/s Silver	1330	16.580	80.19
Gold v/s Crude Oil	1330	63.39	20.97

Bullion	Closing		% Ch
	06-Feb-18	05-Feb-18	
Gold Apr MCX	30187	30293	-0.35
Gold Apr Comex	1330	1337	-0.52
Silver Mar MCX	38338	38553	-0.56
Silver Mar Comex	16.580	16.671	-0.55
Energy			
Crude Oil Feb MCX	4099	4103	-0.10
Crude Mar Nymex	63.39	64.15	-1.18
Natural Gas Feb MCX	176.70	177.10	-0.23
Nat. Gas Mar Henry Hub	2.759	2.747	0.44

LME Inventories (In Tonnes)

Base Metals	06-Feb-18	05-Feb-18	Change	% Change
Aluminum	1066225	1075050	-8825	-0.82
Copper	297825	304000	-6175	-2.03
Nickel	349476	350652	-1176	-0.34
Lead	130175	131125	-950	-0.72
Zinc	166050	167450	-1400	-0.84

Base Metals	Closing		% Ch
	06-Feb-18	05-Feb-18	
Aluminium Feb	139.30	141.40	-1.49
Copper Feb	452.85	456.30	-0.76
Nickel Feb	855.30	877.80	-2.56
Lead Feb	167.90	170.10	-1.29
Zinc Feb	223.85	227.75	-1.71

ECONOMIC CALENDER

Wednesday February 07 2018

Time	Country	Event	Actual	Forecast	Previous
3:05 AM	U.S.	API Weekly Crude Oil Stock	-1.050M	2.500M	3.229M
12:30 PM	Germany	German Industrial Production (MoM) (Dec)		-0.4%	3.4%
1:15 PM	France	French Current Account (Dec)			-3.30B
1:15 PM	France	French Exports (Dec)			39.3B
1:15 PM	France	French Imports (Dec)			45.0B
1:15 PM	France	French Trade Balance (Dec)		-4.9B	-5.7B
1:30 PM	China	FX Reserves (USD)			3.140T
2:00 PM	U.K.	Halifax House Price Index (MoM) (Jan)		0.2%	-0.6%
2:00 PM	U.K.	Halifax House Price Index (YoY) (Jan)		2.4%	2.7%
2:30 PM	India	Cash Reserve Ratio		4.00%	4.00%
2:30 PM	India	Interest Rate Decision		6.00%	6.00%
2:30 PM	India	Reverse REPO Rate		5.75%	5.75%
9:00 PM	U.S.	Crude Oil Inventories		3.189M	6.776M
9:00 PM	U.S.	EIA Weekly Distillates Stocks		-1.419M	-1.940M
9:00 PM	U.S.	Gasoline Inventories		0.459M	-1.980M

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