



COMMODITY REPORT

07 March 2017

ECONOMIC/GLOBAL NEWS

- Natural gas prices rallied amid weather forecasts favoring cooler weather across much of the country. April natural gas rose 7.4 cents, or 2.6%, to \$2.901 per million British thermal units. MCX Natural Gas March expiry closed at Rs. 196.60 per British thermal unit, up 5.08%.
- Federal Reserve is likely to raise interest rates in March barring any unpleasant surprises, Fed Chair Janet Yellen said. "At our meeting later this month, the Federal Open Market Committee will evaluate whether employment and inflation are continuing to evolve in line with our expectations, in which case a further adjustment of the federal funds rate would likely be appropriate," Yellen said.
- U.S. factory orders climbed by 1.2% in January after jumping by 1.3% in December.
- Eurozone Sentix investor sentiment index rose to 20.7 points in March, reaching its highest level since August 2007. The index had last month edged down to 17.4 from 18.2 in January.
- Eurozone Markit Retail PMI dipped to 49.9 in February, from 50.1 in January.
- Germany's wholesale trade turnover rose 0.3% year-over-year in the fourth quarter. In nominal terms, it was 1.3% higher than last year.
- Australia's central bank kept its key interest rate unchanged at a record low - the board of the Reserve Bank of Australia governed by Philip Lowe kept the cash rate at 1.50%.
- Greece's gross domestic product declined a seasonally-and-calendar adjusted 1.2% in the fourth quarter of 2016. Third quarter growth was revised down to 0.6% from 0.9%. The year-on-year growth was revised to show a decline of 1.1% versus a 0.3% gain reported earlier.
- Brazil's Markit Brazil Services PMI rose to 46.4 in February from 45.1 in January. The Composite PMI rose to a 23-month high of 46.6 from 44.7 in January.

Index	06-Mar-17	03-Mar-17	Pts. Ch.	% Change
Dow	20954.34	21005.71	-51.37	-0.24
Nifty	8963.45	8897.55	65.90	0.74
Sensex	29048.19	28832.45	215.74	0.75
USD/INR	66.70	66.81	-0.11	-0.17
Dollar Index	101.64	101.55	0.09	0.09
Euro/\$1US	1.0581	1.0623	-0.0042	-0.40
\$1US/Yen	113.89	114.02	-0.13	-0.11
Pound/\$1US	1.2236	1.2295	-0.0059	-0.48

Market Update

- U.S. equity benchmarks closed down, but off session lows, amid concerns over growing geopolitical tensions which have helped to refocus investors' attention on stock prices that have gotten rich by some measures. The S&P 500 index declined 7.81 points, or 0.3%, to finish at 2,375.31. The Nasdaq Composite Index finished down 21.58 points, or 0.4%, at 5,849.17.
- Indian market registered smart gains on first trading day of the week as the Goods and Services Tax (GST) Council, in its meeting held on Saturday, 4 March 2017, approved the draft CGST Bill and the draft IGST Bill. The Sensex settled above the psychological 29,000 level after moving above and below that level in intraday trade.

Currency Update

- The U.S. dollar was firmer against most major currencies as progressed, recovering against a Japanese yen that had earlier benefited from haven demand amid heightened geopolitical risks in Asia and Europe. The ICE Dollar Index was trading 0.2% higher at 101.69. The euro bought \$1.0581, compared with \$1.0623. The pound continued its decline, buying \$1.2231, down from \$1.2297. Meanwhile, the yen gave up gains to trade nearly flat at ¥113.99, compared with ¥114.02.
- The rupee staged a smart rebound by recovering 11 paise against the US dollar to end at 66.70 on fresh selling of the American currency by corporates and banks. The home unit resumed higher at 66.77 from the weekend closing value of 66.81 at the Interbank Foreign Exchange (forex) market. It largely moved in a tight range of 66.6950 and 66.78 throughout the day before ending at 66.70, showing a gain of 11 paise, 0.17%. The RBI fixed the reference rate for the dollar at 66.7559.

Name of the ETF	Holdings In Tonnes As		%Ch
	06-Mar-17	03-Mar-17	
SPDR Gold ETF	836.77	840.58	-0.45
iShares Silver Trust	10350.88	10350.88	0.00

Symbol	06-Mar-17		Ratio
	Close	Close	
Gold v/s Silver	1226	17.773	68.95
Gold v/s Crude Oil	1226	53.20	23.04

Bullion	Closing		% Ch
	06-Mar-17	03-Mar-17	
Gold Apr MCX	28945	29020	-0.26
Gold Apr Comex	1226	1227	-0.08
Silver May MCX	42429	42532	-0.24
Silver May Comex	17.773	17.740	0.19
Energy			
Crude Oil Mar MCX	3550	3556	-0.17
Crude Apr Nymex	53.20	53.33	-0.24
Natural Gas Mar MCX	196.60	187.10	5.08
Nat. Gas Apr Henry Hub	2.901	2.827	2.62

LME Inventories (In Tonnes)

Base Metals	06-Mar-17	03-Mar-17	Change	% Change
Aluminum	2141525	2160925	-19400	-0.90
Copper	235250	196425	38825	19.77
Nickel	377280	377730	-450	-0.12
Lead	189725	189750	-25	-0.01
Zinc	386450	383050	3400	0.89

Base Metals	Closing		% Ch
	06-Mar-17	03-Mar-17	
Aluminium Mar	125.10	126.15	-0.83
Copper Apr	391.85	398.50	-1.67
Nickel Mar	738.90	735.70	0.43
Lead Mar	149.90	150.55	-0.43
Zinc Mar	182.50	185.85	-1.80

ECONOMIC CALENDER

Tuesday Mar 07, 2017

Time	Country	Event	Actual	Forecast	Previous
9:00 AM	Australia	RBA Interest Rate Decision (Mar)	1.50%	1.50%	1.50%
9:00 AM	Australia	RBA Rate Statement			
Tentative	China	FX Reserves (USD)		2.969T	2.998T
12:30 PM	Germany	German Factory Orders (MoM) (Jan)		-2.5%	5.2%
2:00 PM	U.K.	Halifax House Price Index (MoM) (Feb)		0.3%	-0.9%
2:00 PM	U.K.	Halifax House Price Index (YoY) (Feb)		5.3%	5.7%
3:30 PM	Eurozone	GDP (YoY) (Q4)		1.7%	1.7%
3:30 PM	Eurozone	GDP (QoQ) (Q4)		0.4%	0.4%
7:00 PM	U.S.	Trade Balance (Jan)		-48.50B	-44.30B

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