



# COMMODITY REPORT

07 September 2017

## ECONOMIC/GLOBAL NEWS

- Oil closed at a four-week high, reflecting concerns about a potential hit to production from Hurricane Irma as well as renewed demand for crude as Gulf Coast refineries previously shut down by Hurricane Harvey reopened. West Texas Intermediate U.S. crude oil for October rose 50 cents, or 1.03%, to close at \$49.16 a barrel, the highest settlement since Aug.9. MCX Crude Oil September expiry closed at Rs. 3155 per barrel, up 1.06%.
- U.S. trade deficit widened to \$43.7 billion in July from a revised \$43.5 billion in June. The value of exports dipped by 0.3% to \$194.4 billion in July from \$194.9 billion in June. Meanwhile, the value of imports edged down by 0.2% to \$238.1 billion in July from \$238.5 billion in the previous month.
- Federal Reserve in its Beige Book noted concerns about a prolonged slowdown in the auto industry and said it was too soon to gauge the impact of Hurricane Harvey on the broader economy.
- U.S. seasonally adjusted IHS Markit services business activity Index registered 56.0 in August, up from July's reading of 54.7. The final seasonally adjusted IHS Markit composite PMI - output index rose to 55.3 in August, up from July's reading of 54.6.
- U.S. ISM said its non-manufacturing index climbed to 55.3 in August after falling to 53.9 in July.
- The American Petroleum Institute that U.S. crude supplies rose 2.8 million barrels for the week ended Sept. 1, but gasoline stockpiles fell by 2.5 million barrels.
- Eurozone headline IHS Markit retail PMI fell to 50.8 in August, from 51.0 in July.
- German factory orders fell 0.7% month-on-month in July, in contrast to a revised 0.9% rise in June.
- Australia posted a seasonally adjusted merchandise trade surplus of A\$460 million in July - down 48% on month. That following the upwardly revised A\$888 million surplus in June (originally A\$856 million). Exports were down A\$709 million or 2.0% on month to A\$321.071 billion. Imports sank A\$281 million or 1.0% to A\$30.611 billion.
- Australia's total value of retail sales came in roughly unchanged in July on a seasonally adjusted basis - standing at A\$26.113 billion. That following the downwardly revised 0.2% gain in June (originally 0.3%).

Index	06-Sep-17	05-Sep-17	Pts. Ch.	% Change
<b>Dow</b>	21807.64	21753.31	<b>54.33</b>	<b>0.25</b>
<b>Nifty</b>	9916.20	9952.20	<b>-36.00</b>	<b>-0.36</b>
<b>Sensex</b>	31661.97	31809.55	<b>-147.58</b>	<b>-0.46</b>
<b>USD/INR</b>	64.10	64.12	<b>-0.03</b>	<b>-0.04</b>
<b>Dollar Index</b>	92.21	92.23	<b>-0.02</b>	<b>-0.02</b>
<b>Euro/\$1US</b>	1.1926	1.1914	<b>0.0012</b>	<b>0.10</b>
<b>\$1US/Yen</b>	109.16	108.81	<b>0.35</b>	<b>0.32</b>
<b>Pound/\$1US</b>	1.3046	1.3033	<b>0.0013</b>	<b>0.10</b>

## Market Update

- U.S. stock benchmarks closed slightly higher after congressional leaders and President Donald Trump agreed to extend the debt limit deadline and fund the government through mid-December. The S&P 500 index climbed 7.69 points, or 0.3%, to end at 2,465.54. Meanwhile, the technology-laden Nasdaq Composite Index tacked on 17.74 points, or 0.3%, to end at 6,393.31.
- Indian market registered modest losses amid continuing geopolitical worries in the wake of stand-off between the US and North Korea. Domestic equities edged lower in sync with their global peers triggered by rising geopolitical tensions between the US and North Korea.

## Currency Update

- The U.S. dollar pared its losses after lawmakers and the White House agreed to a deal that extends the deadline for raising the federal government's debt limit for around three months to mid-December. The ICE U.S. Dollar Index was flat at 92.287, compared with an intraday low of 91.99. The WSJ Dollar Index was also flat at 85.32. The euro fetched \$1.1914. Elsewhere in the currency market, the dollar strengthened against the Japanese yen to ¥109.34 up from ¥108.81. The British pound registered slight gains against the buck, buying \$1.3040, compared with \$1.3033.
- The rupee recuperated from early plunge and ended with gains, though a marginal 3 paise, at 64.10 against the US dollar even as geopolitical worries continued to cast shadow over forex trading. The local currency resumed lower at 64.18 against overnight close of 64.12 at the forex market due to steady demand for the greenback and sell-off in equities. The rupee remained under pressure and descended sharply to hit a low of 64.26 in mid-morning deals. However, the domestic currency witnessed a strong rebound towards the fag-end trade on fresh dollar selling by banks and export houses and managed to settle for the day at 64.10, showing a gain of 3 paise, or 0.04%. The RBI fixed the reference rate for the dollar at 64.2146 and for the euro at 76.5438.

Name of the ETF	Holdings In Tonnes As		%Ch
	06-Sep-17	05-Sep-17	
<b>SPDR Gold ETF</b>	837.12	840.08	<b>-0.35</b>
<b>iShares Silver Trust</b>	10202.97	10299.95	<b>-0.94</b>

Symbol	06-Sep-17		Ratio
	Close	Close	
<b>Gold v/s Silver</b>	1339	17.910	<b>74.76</b>
<b>Gold v/s Crude Oil</b>	1339	49.16	<b>27.24</b>

Bullion	Closing		% Ch
	06-Sep-17	05-Sep-17	
<b>Gold Oct MCX</b>	30075	30223	<b>-0.49</b>
<b>Gold Dec Comex</b>	1339	1345	<b>-0.41</b>
<b>Silver Dec MCX</b>	41323	41421	<b>-0.24</b>
<b>Silver Dec Comex</b>	17.910	17.941	<b>-0.17</b>
<b>Energy</b>			
<b>Crude Oil Sep MCX</b>	3155	3122	<b>1.06</b>
<b>Crude Oct Nymex</b>	49.16	48.66	<b>1.03</b>
<b>Natural Gas Sep MCX</b>	193.00	191.40	<b>0.84</b>
<b>Nat. Gas Oct Henry Hub</b>	3.000	2.972	<b>0.94</b>

## LME Inventories (In Tonnes)

Base Metals	06-Sep-17	05-Sep-17	Change	% Change
<b>Aluminum</b>	1324550	1324475	<b>75</b>	<b>0.01</b>
<b>Copper</b>	214775	217550	<b>-2775</b>	<b>-1.28</b>
<b>Nickel</b>	383370	385392	<b>-2022</b>	<b>-0.52</b>
<b>Lead</b>	164625	154775	<b>9850</b>	<b>6.36</b>
<b>Zinc</b>	243250	243250	<b>0</b>	<b>0.00</b>

Base Metals	Closing		% Ch
	06-Sep-17	05-Sep-17	
<b>Aluminium Sept</b>	134.65	133.35	<b>0.97</b>
<b>Copper Nov</b>	447.75	445.00	<b>0.62</b>
<b>Nickel Sept</b>	782.40	768.20	<b>1.85</b>
<b>Lead Sept</b>	149.85	148.70	<b>0.77</b>
<b>Zinc Sept</b>	198.90	199.05	<b>-0.08</b>

## ECONOMIC CALENDER

Thursday September 07 2017

Time	Country	Event	Actual	Forecast	Previous
Tentative	U.S.	<b>API Weekly Crude Oil Stock</b>	<b>2.791M</b>	4.000M	-5.780M
7:00 AM	Australia	<b>Exports (MoM) (Jul)</b>	<b>-2%</b>		-1%
7:00 AM	Australia	<b>Imports (MoM) (Jul)</b>	<b>-1%</b>		2%
7:00 AM	Australia	<b>Retail Sales (MoM) (Jul)</b>	<b>0.0%</b>	0.3%	0.3%
7:00 AM	Australia	<b>Trade Balance (Jul)</b>	<b>0.460B</b>	0.875B	0.888B
11:30 AM	Germany	<b>German Industrial Production (MoM) (Jul)</b>		0.6%	-1.1%
12:15 PM	France	<b>French Current Account (Jul)</b>			-2.10B
12:15 PM	France	<b>French Exports (Jul)</b>			39.2B
12:15 PM	France	<b>French Imports (Jul)</b>			43.8B
12:15 PM	France	<b>French Trade Balance (Jul)</b>		-4.5B	-4.7B
1:00 PM	U.K.	<b>Halifax House Price Index (YoY) (Aug)</b>		2.1%	2.1%
1:00 PM	U.K.	<b>Halifax House Price Index (MoM) (Aug)</b>		0.2%	0.4%
Tentative	China	<b>FX Reserves (USD)</b>			3.081T
2:30 PM	Eurozone	<b>GDP (QoQ) (Q2)</b>		0.6%	0.6%
2:30 PM	Eurozone	<b>GDP (YoY) (Q2)</b>		2.2%	2.2%
5:15 PM	Eurozone	<b>Deposit Facility Rate</b>		-0.40%	-0.40%
5:15 PM	Eurozone	<b>ECB Interest Rate Decision (Sep)</b>		0.00%	0.00%
6:00 PM	U.S.	<b>Continuing Jobless Claims</b>		1,950K	1,942K
6:00 PM	U.S.	<b>Initial Jobless Claims</b>		241K	236K
6:00 PM	U.S.	<b>Nonfarm Productivity (QoQ) (Q2)</b>		1.2%	0.9%
6:00 PM	Eurozone	<b>ECB Press Conference</b>			
8:00 PM	U.S.	<b>Natural Gas Storage</b>		64B	30B
8:30 PM	U.S.	<b>Crude Oil Inventories</b>		4.022M	-5.392M
8:30 PM	U.S.	<b>EIA Weekly Distillates Stocks</b>		-3.063M	0.748M
8:30 PM	U.S.	<b>Gasoline Inventories</b>		-5.000M	0.035M

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