



COMMODITY REPORT

08 January 2018

ECONOMIC/GLOBAL NEWS

- Natural Gas futures fell most in three weeks as cold snap seen receding. February natural gas fell 3% to \$2.795 per million British thermal units. MCX Natural Gas January expiry closed at Rs. 177.10 per British thermal unit, down 4.37%.
- China's foreign-exchange reserves increased by \$20.67 billion from the previous month to \$3.140 trillion at the end of December, following a gain of \$10.06 billion in November.
- U.S. trade deficit widened to \$50.5 billion in November from a revised \$48.9 billion in October.
- U.S. non-farm payroll employment climbed by 148,000 jobs in December after spiking by an upwardly revised 252,000 jobs in November. Additionally, the private sector created fewer of the new job contracts than expected in December with a total of 146,000. November's number was revised to an increase of 239,000 private nonfarm payrolls, from the prior reading of the destruction of 221,000 jobs. The unemployment rate came in at 4.1% in December, unchanged from the two previous month
- U.S. ISM said that its non-manufacturing index dropped to 55.9 in December after falling to 57.4 in November.
- U.S. factory orders surged up by 1.3% in November after rising by an upwardly revised 0.4% in October.
- Eurozone inflation eased marginally to 1.4% in December from 1.5% in November. Core inflation held steady at 0.9% in December.
- Eurozone producer price inflation climbed 2.8% year-over-year in November, faster than the 2.5% rise in October. On a monthly basis, producer prices rose 0.6% from October, when it increased by 0.4%.
- Eurozone headline IHS Markit Retail PMI rose to 53.0 in December, from 52.4 in November.
- Germany's retail sales climbed 4.4% year-on-year in November, reversing a revised 0.9% drop in October. On a monthly basis, retail turnover advanced 2.3%, in contrast to October's 1% decrease.
- France's consumer prices climbed 1.2% year-on-year in December, the same pace of increase as seen in November. Monthly inflation accelerated to 0.3% from 0.1% in November.
- French consumer sentiment index climbed to 105 in December from 103 in November.

Index	05-Jan-18	04-Jan-18	Pts. Ch.	% Change
Dow	25295.87	25075.13	220.74	0.88
Nifty	10558.85	10504.80	54.05	0.51
Sensex	34153.85	33969.64	184.21	0.54
USD/INR	63.37	63.40	-0.03	-0.06
Dollar Index	91.67	91.58	0.09	0.10
Euro/\$1US	1.2030	1.2068	-0.0038	-0.31
\$1US/Yen	113.08	112.75	0.33	0.29
Pound/\$1US	1.3571	1.3553	0.0018	0.13

Market Update

- All three main equity benchmarks posted record gains to end the first week of 2018 on a stellar footing, marked by four straight positive sessions, following lackluster jobs data. The S&P 500 index closed up 19.16 points, or 0.7%, at 2,743.15. The Nasdaq Composite Index gained 58.64 points to 7,136.56, a gain of 0.8%.
- Indian market posted decent gains and scaled fresh record high levels, tracking strength in global equity markets on the back of robust economic data. The Sensex regained psychological 34,000-mark.

Currency Update

- The U.S. dollar rebounded from an initial dip against its rivals following the December jobs report, but still registered its third consecutive weekly loss. The employment report came in below expectations and showed that wage growth remained sluggish, turning the greenback negative before it bounced back. The ICE U.S. Dollar Index was last 0.1% higher at 91.975, while the broader WSJ U.S. Dollar Index was up 0.1% at 85.67. The euro was down at \$1.2039 from \$1.2068. The British pound traded higher at \$1.3567, versus \$1.3552. Against the Japanese yen, the dollar was stronger, trading at ¥113.12, up from ¥112.75.
- The rupee continued its rise for the second day against the beleaguered dollar and ended at a 32-month high of 63.37 today, up 3 paise on steady unwinding of the American currency by exporters. Extending its bullish momentum, the rupee opened on a high note at 63.36 a dollar against Thursday's close of 63.40 at the Interbank Foreign Exchange (forex) market on sustained selling of the American currency by exporters and banks. A strong follow-through traction, later pushed the local unit decisively to hit an intra-day high of 63.31 in mid-morning deals before suddenly reversing the trend to touch a fresh low of 63.42 for a brief period. But, later it bounced back to close comfortably at a new 32-month high of 63.37, showing a gain of 3 paise, or 0.06%.

Name of the ETF	Holdings In Tonnes As		%Ch
	05-Jan-18	04-Jan-18	
SPDR Gold ETF	834.86	836.04	-0.14
iShares Silver Trust	9904.09	9904.09	0.00

Symbol	05-Jan-18		Ratio
	Close	Close	
Gold v/s Silver	1322	17.285	76.50
Gold v/s Crude Oil	1322	61.44	21.52

Bullion	Closing		% Ch
	05-Jan-18	04-Jan-18	
Gold Feb MCX	29217	29230	-0.04
Gold Feb Comex	1322	1322	0.05
Silver Mar MCX	39253	39276	-0.06
Silver Mar Comex	17.285	17.269	0.09
Energy			
Crude Oil Jan MCX	3887	3921	-0.87
Crude Feb Nymex	61.44	62.01	-0.92
Natural Gas Jan MCX	177.10	185.20	-4.37
Nat. Gas Feb Henry Hub	2.795	2.880	-2.95

LME Inventories (In Tonnes)

Base Metals	05-Jan-18	04-Jan-18	Change	% Change
Aluminum	1099475	1101325	-1850	-0.17
Copper	203850	200150	3700	1.85
Nickel	365070	365934	-864	-0.24
Lead	141925	142075	-150	-0.11
Zinc	180325	180575	-250	-0.14

Base Metals	Closing		% Ch
	05-Jan-18	04-Jan-18	
Aluminium Jan	139.20	142.00	-1.97
Copper Feb	452.50	457.70	-1.14
Nickel Jan	794.30	801.00	-0.84
Lead Jan	161.90	163.20	-0.80
Zinc Jan	213.80	213.90	-0.05

ECONOMIC CALENDER

Monday January 08 2018

Time	Country	Event	Actual	Forecast	Previous
12:30 PM	Germany	German Factory Orders (MoM) (Nov)		0.5%	0.5%
2:00 PM	U.K.	Halifax House Price Index (MoM) (Dec)		0.2%	0.5%
2:00 PM	U.K.	Halifax House Price Index (YoY) (Dec)		3.3%	3.9%
3:00 PM	Eurozone	Sentix Investor Confidence (Jan)		31.2	31.1
3:30 PM	Eurozone	Business and Consumer Survey (Dec)		114.8	114.6
3:30 PM	Eurozone	Business Climate (Dec)		1.5	1.5
3:30 PM	Eurozone	Consumer Confidence (Dec)		0.5	0.5
3:30 PM	Eurozone	Services Sentiment (Dec)		16.5	16.3
3:30 PM	Eurozone	Industrial Sentiment (Dec)		8.4	8.2
3:30 PM	Eurozone	Retail Sales (MoM) (Nov)		1.3%	-1.1%
3:30 PM	Eurozone	Retail Sales (YoY) (Nov)		2.2%	0.4%
8:30 PM	U.S.	CB Employment Trends Index (Dec)			135.9

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