



COMMODITY REPORT

08 February 2018

ECONOMIC/GLOBAL NEWS

- Gold prices ended at a one-month low, down a fourth-straight session, as the dollar index and Treasury yields gained, dulling investment demand for the precious metal. April gold dropped \$14.90, or 1.12%, to settle at \$1,314.60 an ounce. MCX Gold April expiry closed at Rs. 29995 per 10 gram, down 0.64%.
- China's exports grew 11.1% year-over-year in January, up from a 10.9% gain in December while imports jumped 36.9% in January from a year ago, decelerated to 4.5% in December. The trade surplus totaled \$20.34 billion in January, compared with December's \$54.69 billion.
- China's foreign exchange reserves rose \$21.5 billion in January to \$3.161 trillion, compared with an increase of \$20.2 billion in December.
- U.S. consumer credit increased \$18.4 billion in December to a record seasonally adjusted \$3.84 trillion, posting an annual growth rate of 5.8%. This was down from a revised \$31 billion rate in the prior month.
- U.K. RICS house price balance remained at 8% in January
- U.K. house prices fell unexpectedly by 0.6% in January from December, when they were down 0.8%. On a quarterly basis, house prices remained flat after gaining 1.3% in three months ended December.
- Germany's industrial production slid 0.6% month-on-month in December, in contrast to a revised .1% rise in November.
- French trade deficit fell to EUR 3.5 billion in December from EUR 5.6 billion in November. Exports recovered strongly by 5.9% monthly in December after a 2.2% decrease in the prior month. Imports rose 0.4% from November, when it dropped by 0.7%.
- Japan posted a current account surplus of 797.2 billion yen in December - down 28.5% on year, following the 1,347.3 billion yen surplus in November.

| Index | 07-Feb-18 | 06-Feb-18 | Pts. Ch. | % Change |
|---------------------|-----------|-----------|----------------|--------------|
| Dow | 24893.35 | 24912.77 | -19.42 | -0.08 |
| Nifty | 10476.70 | 10498.25 | -21.55 | -0.21 |
| Sensex | 34082.71 | 34195.94 | -113.23 | -0.33 |
| USD/INR | 64.28 | 64.24 | 0.04 | 0.06 |
| Dollar Index | 90.16 | 89.52 | 0.64 | 0.71 |
| Euro/\$1US | 1.2270 | 1.2380 | -0.0110 | -0.89 |
| \$1US/Yen | 109.16 | 109.63 | -0.47 | -0.43 |
| Pound/\$1US | 1.3879 | 1.3958 | -0.0079 | -0.57 |

Market Update

- U.S. stocks finished lower after failing to defend intraday gains as investors struggled to adjust to an investment environment marked by both rising bond yields and signs of inflation. The S&P 500 fell 13.48 points, or 0.5%, to 2,681.66, with energy and technology sectors leading the losers. The Nasdaq Composite shed 63.90, 0.9%, to 7,051.98.
- Indian market erased intraday gains to settle with modest losses in a volatile session of trade. Indian stocks fell for the seventh straight trading session today, 7 February 2018.

Currency Update

- The U.S. dollar extended gains, as lawmakers in Washington agreed to a two-year budget deal that would avoid a government shutdown this week. The ICE U.S. Dollar Index was up 0.8% at 90.335, while the WSJ U.S. Dollar Index was little changed at 84.25. The euro slipped to \$1.2257, down from \$1.2379, hitting a two-week low against the buck. Similarly, the British pound fell to \$1.3874, compared with \$1.3950. Against the Japanese yen the dollar bought ¥109.40, falling from ¥109.56.
- The rupee failed to hold onto its early gains and fell back to end at a fresh two-month low of 64.28 after the Reserve Bank sounded a more hawkish tone amid upside risks on inflation in Asia's third-largest economy. It initially touched a high of 64.02 before making downward movement. Earlier, the Indian currency opened higher at 64.12 as compared to Tuesday's close of 64.24. However, reacting to post-RBI policy review, the rupee retreated sharply to touch a low of 64.31 towards to tail-end trade before ending at 64.28, showing a loss 4 paise, or 0.06%. The RBI meanwhile fixed the reference rate for the dollar at 64.1377.

| Name of the ETF | Holdings In Tonnes As | | %Ch |
|-----------------------------|-----------------------|-----------|--------------|
| | 07-Feb-18 | 06-Feb-18 | |
| SPDR Gold ETF | 826.90 | 829.27 | -0.29 |
| iShares Silver Trust | 9767.91 | 9767.91 | 0.00 |

| Symbol | 07-Feb-18 | | Ratio |
|---------------------------|-----------|--------|--------------|
| | Close | Close | |
| Gold v/s Silver | 1315 | 16.238 | 80.96 |
| Gold v/s Crude Oil | 1315 | 61.79 | 21.28 |

| Bullion | Closing | | % Ch |
|-------------------------------|-----------|-----------|--------------|
| | 07-Feb-18 | 06-Feb-18 | |
| Gold Apr MCX | 29995 | 30187 | -0.64 |
| Gold Apr Comex | 1315 | 1330 | -1.12 |
| Silver Mar MCX | 37863 | 38338 | -1.24 |
| Silver Mar Comex | 16.238 | 16.580 | -2.06 |
| Energy | | | |
| Crude Oil Feb MCX | 3959 | 4099 | -3.42 |
| Crude Mar Nymex | 61.79 | 63.39 | -2.52 |
| Natural Gas Feb MCX | 176.20 | 176.70 | -0.28 |
| Nat. Gas Mar Henry Hub | 2.702 | 2.759 | -2.07 |

LME Inventories (In Tonnes)

| Base Metals | 07-Feb-18 | 06-Feb-18 | Change | % Change |
|-----------------|-----------|-----------|--------------|--------------|
| Aluminum | 1059875 | 1066225 | -6350 | -0.60 |
| Copper | 294975 | 297825 | -2850 | -0.96 |
| Nickel | 347148 | 349476 | -2328 | -0.67 |
| Lead | 128800 | 130175 | -1375 | -1.06 |
| Zinc | 164350 | 166050 | -1700 | -1.02 |

| Base Metals | Closing | | % Ch |
|----------------------|-----------|-----------|--------------|
| | 07-Feb-18 | 06-Feb-18 | |
| Aluminium Feb | 139.10 | 139.30 | -0.14 |
| Copper Feb | 440.25 | 452.85 | -2.78 |
| Nickel Feb | 848.40 | 855.30 | -0.81 |
| Lead Feb | 162.70 | 167.90 | -3.10 |
| Zinc Feb | 219.05 | 223.85 | -2.14 |

ECONOMIC CALENDER

Thursday February 08 2018

| Time | Country | Event | Actual | Forecast | Previous |
|----------|---------|---|---------------|----------|----------|
| 1:30 AM | U.S. | Consumer Credit (Dec) | 18.45B | 19.30B | 31.02B |
| 5:20 AM | Japan | Current Account n.s.a. (Dec) | 0.797T | 1.018T | 1.347T |
| 5:31 AM | U.K. | RICS House Price Balance (Jan) | 8% | 5% | 8% |
| 9:11 AM | China | Exports (YoY) (Jan) | 11.1% | 9.6% | 10.9% |
| 9:11 AM | China | Imports (YoY) (Jan) | 36.9% | 9.8% | 4.5% |
| 9:11 AM | China | Trade Balance (USD) (Jan) | 20.34B | 54.10B | 54.69B |
| 12:30 PM | Germany | German Exports (MoM) (Dec) | | -1.0% | 4.1% |
| 12:30 PM | Germany | German Imports (MoM) (Dec) | | -0.5% | 2.3% |
| 12:30 PM | Germany | German Trade Balance (Dec) | | 20.4B | 22.3B |
| 5:30 PM | U.K. | BoE QE Total (Feb) | | 435B | 435B |
| 5:30 PM | U.K. | BoE Interest Rate Decision (Feb) | | 0.50% | 0.50% |
| 6:30 PM | U.S. | FOMC Member Harker Speaks | | | |
| 7:00 PM | U.S. | Continuing Jobless Claims | | 1,945K | 1,953K |
| 7:00 PM | U.S. | Initial Jobless Claims | | 236K | 230K |
| 9:00 PM | U.S. | Natural Gas Storage | | -116B | -99B |

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