



COMMODITY REPORT

08 March 2017

ECONOMIC/GLOBAL NEWS

- Gold futures fell, extending losses to six sessions in a row as expectations for a U.S. interest-rate increase as early as next week dulled investment demand for the precious metal. April gold lost \$9.40, or 0.77%, to settle at \$1,216.10 an ounce. Meanwhile, silver for May delivery dropped 23.7 cents, or 1.33%, at \$17.536 an ounce. MCX Gold April expiry closed at Rs. 28751 per 10 gram, down 0.67% while May Silver closed at Rs. 41943 per kg, down 1.15%.
- China's imports logged a sharp growth in February, in yuan terms, imports advanced 44.7% year-on-year in February. At the same time, exports grew only 4.2%. As a result, the trade balance showed a deficit of CNY 60.4 billion in February compared to the expected surplus of CNY 172.5 billion.
- U.S. trade deficit widened to \$48.5 billion in January from \$44.3 billion in December. The wider deficit primarily reflected a jump in the value of imports, which surged up by 2.3% to \$240.6 billion in January from \$235.3 billion in December. The value of exports showed a more modest increase, climbing by 0.6% to \$192.1 billion in January from \$191.0 billion in December.
- U.S. Fed consumer credit rose by \$8.8 billion in January after climbing by a revised \$14.8 billion in December.
- U.K. house prices edged up 0.1% in February from January, when prices declined 1.1%. During three months to February, house prices growth eased to 5.1% annually from 5.7% in three months to January. Quarter-on-quarter, house prices gained 1.7% in three months to February.
- Eurozone gross domestic product grew 0.4% sequentially in the fourth quarter, the same pace of growth as registered in the third quarter. On a yearly basis, GDP growth slowed marginally to 1.7% from 1.8% in the third quarter.
- Germany's factory orders decreased 7.4% in January from December's 5.2% increase.
- Japan's gross domestic product gained 0.3% on quarter in the fourth quarter of 2016, up from last month's preliminary reading of 0.2%. GDP gained 0.3% in Q3. On a yearly basis, GDP was revised up to 1.2% from 1.0%.
- Japan had a current account surplus of 65.5 billion yen in January - down 88.9% on year. The headline figure was shy of forecasts for a surplus of 270.0 billion yen and down from 1,112.2 billion yen in December.

Index	07-Mar-17	06-Mar-17	Pts. Ch.	% Change
Dow	20924.76	20954.34	-29.58	-0.14
Nifty	8946.90	8963.45	-16.55	-0.18
Sensex	28999.56	29048.19	-48.63	-0.17
USD/INR	66.68	66.72	-0.04	-0.06
Dollar Index	101.81	101.64	0.17	0.17
Euro/\$1US	1.0566	1.0581	-0.0015	-0.14
\$1US/Yen	113.98	113.89	0.09	0.08
Pound/\$1US	1.2200	1.2236	-0.0036	-0.29

Market Update

- The Dow and the S&P 500 logged their first back-to-back declines since late January as sharp losses in energy and telecommunications sectors dragged on the broader market. The S&P 500 index declined 6.92 points, or 0.3%, to close at 2,368.39 and the Nasdaq Composite slipped 15.25 points, or 0.3%, to finish at 5,833.93.
- Indian market logged small declines in a lackluster session of trade. Sensex closed tad below the psychological 29,000 level after moving above and below that level in intraday trade.

Currency Update

- The dollar continued to strengthen against most major rivals on Tuesday as investors geared up for a likely U.S. interest-rate hike next week. The ICE Dollar Index was trading up 0.2% at 101.80. On Tuesday, the pound weakened against the dollar, buying \$1.2200, down from \$1.2237. In other trading, the euro bought \$1.0568, compared with \$1.0583. The yen strengthened against the greenback, one dollar bought ¥114.02 compared with ¥113.89.
- The rupee opened nearly 4 paise up at 66.68 against dollar on account of selling of American currency by banks and exporters amid robust foreign inflows. The domestic unit resumed higher at 66.67 from Monday's close of 66.72 at the Interbank Foreign Exchange (Forex) Market. It remained largely range-bound and hovered between 66.59 and 66.6925 during the most part of the day before ending at 66.68, revealing a gain of 4 paise, or 0.06%. The RBI fixed the reference rate for the dollar at 66.6347.

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

Symbol	07-Mar-17		Ratio
	Close	Close	
Gold v/s Silver	1216	17.536	69.35
Gold v/s Crude Oil	1216	53.14	22.88

Bullion	Closing		% Ch
	07-Mar-17	06-Mar-17	
Gold Apr MCX	28751	28945	-0.67
Gold Apr Comex	1216	1226	-0.77
Silver May MCX	41943	42429	-1.15
Silver May Comex	17.536	17.773	-1.33
Energy			
Crude Oil Mar MCX	3558	3550	0.23
Crude Apr Nymex	53.14	53.20	-0.11
Natural Gas Mar MCX	189.30	196.60	-3.71
Nat. Gas Apr Henry Hub	2.824	2.901	-2.65

LME Inventories (In Tonnes)

Base Metals	07-Mar-17	06-Mar-17	Change	% Change
Aluminum	2117875	2141525	-23650	-1.10
Copper	261975	235250	26725	11.36
Nickel	381096	377280	3816	1.01
Lead	189725	189725	0	0.00
Zinc	386025	386450	-425	-0.11

Base Metals	Closing		% Ch
	07-Mar-17	06-Mar-17	
Aluminium Mar	125.25	125.10	0.12
Copper Apr	386.80	391.85	-1.29
Nickel Mar	710.90	738.90	-3.79
Lead Mar	149.00	149.90	-0.60
Zinc Mar	179.40	182.50	-1.70

ECONOMIC CALENDER

Wednesday Mar 08, 2017

Time	Country	Event	Actual	Forecast	Previous
1:30 AM	U.S.	Consumer Credit (Jan)	8.79B	17.00B	14.16B
3:05 AM	U.S.	API Weekly Crude Oil Stock	11.600M	1.660M	2.502M
5:20 AM	Japan	Adjusted Current Account	1.26T	1.46T	1.67T
5:20 AM	Japan	Current Account n.s.a. (Jan)	0.066T	0.239T	1.112T
5:20 AM	Japan	GDP (YoY) (Q4)	1.2%	1.6%	1.0%
5:20 AM	Japan	GDP (QoQ) (Q4)	0.3%	0.4%	0.2%
9:00 AM	China	Exports (YoY) (Feb)	-1.3%	12.3%	7.9%
9:00 AM	China	Imports (YoY) (Feb)	38.1%	20.0%	16.7%
9:00 AM	China	Trade Balance (USD) (Feb)	-9.15B	25.75B	51.35B
12:30 PM	Germany	German Industrial Production (MoM) (Jan)		2.5%	-3.0%
1:15 PM	France	French Current Account (Jan)		-1.20B	-1.10B
1:15 PM	France	French Exports (Jan)			40.4B
1:15 PM	France	French Imports (Jan)			43.8B
1:15 PM	France	French Trade Balance (Jan)		-3.7B	-3.4B
6:45 PM	U.S.	ADP Nonfarm Employment Change (Feb)		190K	246K
8:30 PM	U.S.	Wholesale Inventories (MoM) (Jan)		-0.1%	-0.1%
9:00 PM	U.S.	Crude Oil Inventories		1.967M	1.501M
9:00 PM	U.S.	EIA Weekly Distillates Stocks		-0.900M	-0.925M
9:00 PM	U.S.	Gasoline Inventories		-1.400M	-0.546M

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