



COMMODITY REPORT

08 September 2017

ECONOMIC/GLOBAL NEWS

- Gold climbed to mark a one-year closing high as the euro strengthened against the dollar in the wake of a European Central Bank meeting, boosting investment demand for the precious metal. Gold for December delivery rose \$11.30, or 0.8%, to settle at \$1,350.30 an ounce, following a 0.4% loss it a day earlier. MCX Gold October expiry closed at Rs. 30282 per 10 gram, up 0.69%.
- China's exports increased 5.5% year-on-year in August, slower than July's initially estimated 7.2% growth. Imports advanced 13.3% annually, faster than the expected growth of 10%. As a result, the trade surplus totaled \$42 billion in August versus the expected level of \$48.5 billion.
- China's foreign exchange reserves increased by \$10.81 billion for a seventh straight month in August from the month before to \$3.092 trillion, following a gain of \$24 billion in July.
- U.S. initial jobless claims jumped to 298,000 in the week ended September 2nd, an increase of 62,000 from the previous week's unrevised level of 236,000. Continuing claims dipped by 5,000 to 1.940 million in the week ended August 26th.
- U.S. labor productivity climbed by 1.5% in the second quarter compared to the previously reported 0.9% increase.
- The U.S. Energy Information Administration said domestic crude supplies climbed by 4.6 million barrels for the week ended Sept. 1. Gasoline stockpiles were down 3.2 million barrels for the week, while distillate stockpiles edged down by 1.4 million barrels, according to the EIA.
- The U.S. Energy Information Administration showed that domestic supplies of natural gas rose by 65 billion cubic feet for the week ended Sept. 1. Total stocks now stand at 3.220 trillion cubic feet, down 212 billion cubic feet from a year ago, but 15 billion cubic feet above the five-year average, the government said.
- U.K. house prices advanced 2.6% year-on-year in three months to August, faster than the 2.1% increase seen in three months to July. On a monthly basis, house prices rose 1.1%, following a 0.7% rise in July.
- The European Central Bank may decide on the future of its massive stimulus in October even as policymakers are worried about the risks that a strengthening euro pose to the inflation outlook, the bank's chief Mario Draghi said.
- The European Central Bank left its interest rates and asset purchases unchanged and retained its downward bias on asset purchases. The main refi rate was held at a record low zero% and the deposit rate at -0.40%. The marginal lending facility rate was kept at 0.25%. The bank also retained its monthly asset purchases of EUR 60 billion that are set to run till December 2017. The size was reduced in March from EUR 80 billion.
- Eurozone gross domestic product grew 0.6% sequentially in the second quarter, faster than the 0.5% expansion seen in the first quarter. Year-on-year, GDP climbed 2.3% instead of 2.2% estimated previously.
- Germany's industrial production remained unchanged in July, industrial production showed nil growth following a 1.1% decrease in June.
- French trade shortfall rose to EUR 5.97 billion in July from EUR 4.88 billion in June. Exports rose 0.5% month-over-month in July, reversing a 2.6% fall in the prior month. Imports rebounded strongly by 3.1% from June, when it dropped by 2.1%.
- France's seasonally and working-day-adjusted current account deficit rose to EUR 4.2 billion in July from EUR 2.4 billion in the previous month.
- Japan's gross domestic product was knocked down to 0.6% on quarter in the second quarter of 2017, down from the August 13 preliminary reading that suggested a gain of 1.0%. On a yearly basis, GDP was knocked down to 2.5%, down sharply from the preliminary reading of 4.0%.
- Japan had a current account surplus of 2,320.0 billion yen in July - up 19.6% on year. The headline figure topped expectations for a surplus of 2,030.1 billion yen and was up from the 934.6 billion yen surplus in June.

Index	07-Sep-17	06-Sep-17	Pts. Ch.	% Change
Dow	21784.78	21807.64	-22.86	-0.10
Nifty	9929.90	9916.20	13.70	0.14
Sensex	31662.74	31661.97	0.77	0.002
USD/INR	64.05	64.10	-0.05	-0.08
Dollar Index	91.49	92.25	-0.76	-0.82
Euro/\$1US	1.2028	1.1917	0.0111	0.93
\$1US/Yen	108.29	109.23	-0.94	-0.86
Pound/\$1US	1.3105	1.3043	0.0062	0.48

Market Update

- U.S. stock indexes ended slightly lower as investors sold financials, consumer-discretionary and telecommunication shares, with Disney and Goldman Sachs exacting a hefty toll on the Dow industrials. The S&P 500 finished the session down 0.44 point, or less than 0.1%, at 2,465.10. The tech-heavy Nasdaq Composite Index eked out a slight gain, up 4.55 points, or 0.1%, at 6,397.37.
- Indian market ended a range-bound session little changed as geopolitical worries lingered and investors waited to hear comments from ECB President Mario Draghi on euro appreciation and tapering of the central bank's monetary stimulus measures.

Currency Update

- The dollar retraced some of its losses but remained weak versus the euro, after the European Central Bank left its benchmark interest rate unchanged and pledged commitment to its bond-purchase program, while continuing to take an optimistic view of the eurozone economy's growth prospects. During the news conference, the euro hit an intraday high of \$1.2059 before retreating to \$1.2018 late in the session, and up from \$1.1917. The ICE U.S. Dollar Index fell 0.8% to 91.548, with the euro the biggest drag on the dollar indicator. The WSJ Dollar Index gave up 0.7% to 84.71. The dollar bought 108.46 Japanese yen, down from ¥109.22. The pound rose to \$1.3102, from \$1.3042.
- The rupee strengthened by another five paise to 64.05 per US dollar following sustained selling of the American currency by exporters and banks. However, sluggish local capital markets along with massive capital outflows capped rupee's gains to some extent. The rupee opened on a positive note at 64.04 as compared to overnight close of 64.10 at the interbank foreign exchange market. The local unit gained past 64-mark to hit a fresh intra-day high of 63.98 in late afternoon deals before ending at 64.05, revealing a smart gain of 5 paise, or 0.08%. The RBI fixed the reference rate for the dollar at 64.0276.

Name of the ETF	Holdings In Tonnes As		%Ch
	07-Sep-17	06-Sep-17	
SPDR Gold ETF	836.87	837.12	-0.03
iShares Silver Trust	10173.58	10202.97	-0.29

Symbol	07-Sep-17		Ratio
	Close	Close	
Gold v/s Silver	1350	18.116	74.54
Gold v/s Crude Oil	1350	49.09	27.51

Bullion	Closing		% Ch
	07-Sep-17	06-Sep-17	
Gold Oct MCX	30282	30075	0.69
Gold Dec Comex	1350	1339	0.84
Silver Dec MCX	41617	41323	0.71
Silver Dec Comex	18.116	17.910	1.15
Energy			
Crude Oil Sep MCX	3143	3155	-0.38
Crude Oct Nymex	49.09	49.16	-0.14
Natural Gas Sep MCX	191.40	193.00	-0.83
Nat. Gas Oct Henry Hub	2.981	3.000	-0.63

LME Inventories (In Tonnes)

Base Metals	07-Sep-17	06-Sep-17	Change	% Change
Aluminum	1321375	1324550	-3175	-0.24
Copper	210725	214775	-4050	-1.89
Nickel	384150	383370	780	0.20
Lead	164450	164625	-175	-0.11
Zinc	242675	243250	-575	-0.24

Base Metals	Closing		% Ch
	07-Sep-17	06-Sep-17	
Aluminium Sept	134.45	134.65	-0.15
Copper Nov	446.05	447.75	-0.38
Nickel Sept	778.70	782.40	-0.47
Lead Sept	149.10	149.85	-0.50
Zinc Sept	200.60	198.90	0.85

ECONOMIC CALENDER

Friday September 08 2017					
Time	Country	Event	Actual	Forecast	Previous
5:20 AM	Japan	Adjusted Current Account	2.03T	1.65T	1.52T
5:20 AM	Japan	Current Account n.s.a. (Jul)	2.320T	2.059T	0.935T
5:20 AM	Japan	GDP (YoY) (Q2)	2.5%	2.9%	4.0%
5:20 AM	Japan	GDP (QoQ) (Q2)	0.6%	0.7%	1.0%
8:41 AM	China	Exports (YoY) (Aug)	5.5%	5.1%	7.2%
8:41 AM	China	Imports (YoY) (Aug)	13.3%	10.0%	11.0%
8:41 AM	China	Trade Balance (USD) (Aug)	41.99B	48.60B	46.74B
11:30 AM	Germany	German Exports (MoM) (Jul)		1.3%	-2.8%
11:30 AM	Germany	German Imports (MoM) (Jul)		2.8%	-4.5%
11:30 AM	Germany	German Trade Balance (Jul)		20.3B	21.2B
12:15 PM	France	French Industrial Production (MoM) (Jul)		0.6%	-1.1%
2:00 PM	U.K.	Industrial Production (MoM) (Jul)		0.2%	0.5%
2:00 PM	U.K.	Industrial Production (YoY) (Jul)		0.4%	0.3%
2:00 PM	U.K.	Manufacturing Production (YoY) (Jul)		1.7%	0.6%
2:00 PM	U.K.	Manufacturing Production (MoM) (Jul)		0.3%	0.0%
2:00 PM	U.K.	Trade Balance (Jul)		-11.95B	-12.72B
5:00 PM	India	FX Reserves, USD			394.55B
7:30 PM	U.S.	Wholesale Inventories (MoM) (Jul)		0.4%	0.4%

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