



COMMODITY REPORT

09 February 2018

ECONOMIC/GLOBAL NEWS

- Oil extended its losing streak to a fifth session, with prices for the U.S. benchmark ending at the lowest in five weeks, a day after data showed record weekly U.S. crude output and a further rise in inventories. March West Texas Intermediate crude on the New York Mercantile Exchange fell 64 cents, or 1.04%, to \$61.15 a barrel. MCX Crude Oil February expiry closed at Rs. 3931 per barrel, down 0.71%..
- China consumer prices were up 1.5% on year in January, down from 1.8% in December. On a monthly basis, consumer prices advanced 0.6% - up from 0.3% in the previous month. The producer prices were up 4.3% on year - down from 4.9% a month earlier.
- U.S. initial jobless claims decreased 9,000 to a seasonally adjusted 221,000 for the week ended Feb. 3. Claims fell to 216,000 in mid-January, which was the lowest level since January 1973. Continuing jobless claims also showed the number of people receiving benefits after an initial week of aid fell 33,000 to 1.92 million in the week ended Jan. 27.
- The U.S. Energy Information Administration reported that domestic supplies of natural gas fell by 119 billion cubic feet for the week ended Feb. 2. Total stocks now stand at 2.078 trillion cubic feet, down 503 billion cubic feet from a year ago, and 393 billion below the five-year average, the government said.
- Bank of England decided to hold its key interest rate and asset purchase programme, the Monetary Policy Committee voted unanimously to maintain the benchmark rate at 0.50%. Policymakers unanimously decided to maintain the quantitative easing at GBP 435 billion.
- Germany's exports rose 0.3% month-on-month in December, slower than the 4.1% increase seen in November. Similarly, monthly growth in imports eased to 1.4% from 2.2% in November. The trade surplus fell to a seasonally adjusted EUR 21.4 billion from EUR 22.3 billion a month ago.
- Spain's industrial production grew by adjusted 6.1% year-over-year in December, faster than the 4.6% growth logged in November. On a monthly basis, industrial production climbed at a slower pace of 0.9% in December after rising 1.1% in November.
- Australia's unemployment rate is forecast to fall to 5.25% for the year ending June 2018, instead of 5.5% estimated three months ago.
- Malaysia's jobless rate came in at 3.3% in December, the same rate as in November. In the corresponding month last year, the unemployment rate was 3.5%. The number of unemployed people rose to 505,800 in December from 505,100 in November. A year ago, the jobless figure totaled 512,200.
- Malaysia's industrial production climbed 2.9% year-over-year in December, well below the 5.0 rise in November.
- Philippine foreign trade deficit rose to \$4.02 billion in December from \$2.5 billion in the corresponding month last year. Exports declined 4.9% year-over-year in December, while imports jumped by 17.6%.

Index	08-Feb-18	07-Feb-18	Pts. Ch.	% Change
Dow	23860.46	24893.35	-1032.89	-4.15
Nifty	10576.85	10476.70	100.15	0.96
Sensex	34413.16	34082.71	330.45	0.97
USD/INR	64.26	64.28	-0.03	-0.04
Dollar Index	90.19	90.16	0.03	0.03
Euro/\$1US	1.2261	1.2270	-0.0009	-0.07
\$1US/Yen	108.56	109.16	-0.60	-0.55
Pound/\$1US	1.3936	1.3879	0.0057	0.41

Market Update

- The S&P 500 and the Dow extended their decline to close in correction territory after stocks went into a free fall late in the session on concerns about mounting volatility and worries about inflation and rising bond yields. The S&P 500 index skidded 100.66 points, or 3.8%, to 2,581. The Nasdaq Composite Index sank 274.82 points, or 3.9%, to end at 6,777.16.
- Indian market logged strong gains as bargain hunting emerged on the bourses after seven straight sessions of losses.

Currency Update

- Foreign-exchange investors turned to currencies perceived to be havens from turmoil, such as the Swiss franc and the Japanese yen, as equities fell once again, while the U.S. dollar managed to hold on to modest gains. The ICE U.S. Dollar Index was little changed in positive territory at 90.287. The wider WSJ Dollar Index was also little changed at 84.23. The pound rallied to a session high of \$1.4066 earlier, from \$1.3882. The pair last changed hands at \$1.3909. The euro slipped to \$1.2251 from \$1.2265. The dollar was weaker versus the Japanese yen, buying ¥108.71 down from ¥109.34.
- Reversing a straight five-session downtrend, the rupee gains marginally by 3 paise to end at 64.26 against the US dollar in line with a good recovery in equity markets. The Indian currency touched a fresh two-month low of 64.40 in intra-day trade. Earlier, the rupee resumed lower at 64.35 as compared to Wednesday's close of 64.28. It later swung between 64.40 and 64.15 most part of the day, though overnight policy statement from the RBI calmed nervous bond market to some extent. The domestic unit finally settled the day at 64.26, showing a small gain of 3 paise. The RBI fixed the reference rate for the dollar at 64.1616.

Name of the ETF	Holdings In Tonnes As		%Ch
	08-Feb-18	07-Feb-18	
SPDR Gold ETF	826.31	826.90	-0.07
iShares Silver Trust	9766.91	9767.91	-0.01

Symbol	08-Feb-18		Ratio
	Close	Close	
Gold v/s Silver	1319	16.341	80.72
Gold v/s Crude Oil	1319	61.15	21.57

Bullion	Closing		% Ch
	08-Feb-18	07-Feb-18	
Gold Apr MCX	30107	29995	0.37
Gold Apr Comex	1319	1315	0.33
Silver Mar MCX	38000	37863	0.36
Silver Mar Comex	16.341	16.238	0.63
Energy			
Crude Oil Feb MCX	3931	3959	-0.71
Crude Mar Nymex	61.15	61.79	-1.04
Natural Gas Feb MCX	175.70	176.20	-0.28
Nat. Gas Mar Henry Hub	2.697	2.702	-0.19

LME Inventories (In Tonnes)

Base Metals	08-Feb-18	07-Feb-18	Change	% Change
Aluminum	1058175	1059875	-1700	-0.16
Copper	316100	294975	21125	7.16
Nickel	343896	347148	-3252	-0.94
Lead	126950	128800	-1850	-1.44
Zinc	162725	164350	-1625	-0.99

Base Metals	Closing		% Ch
	08-Feb-18	07-Feb-18	
Aluminium Feb	140.20	139.10	0.79
Copper Feb	440.20	440.25	-0.01
Nickel Feb	849.10	848.40	0.08
Lead Feb	163.15	162.70	0.28
Zinc Feb	221.70	219.05	1.21

ECONOMIC CALENDER

Friday February 09 2018

Time	Country	Event	Actual	Forecast	Previous
7:00 AM	China	CPI (MoM) (Jan)	0.6%	0.7%	0.3%
7:00 AM	China	CPI (YoY) (Jan)	1.5%	1.5%	1.8%
7:00 AM	China	PPI (YoY) (Jan)	4.3%	4.3%	4.9%
1:15 PM	France	French Industrial Production (MoM) (Dec)		0.1%	-0.5%
3:00 PM	U.K.	Industrial Production (YoY) (Dec)		0.3%	2.5%
3:00 PM	U.K.	Industrial Production (MoM) (Dec)		-0.9%	0.4%
3:00 PM	U.K.	Manufacturing Production (MoM) (Dec)		0.3%	0.4%
3:00 PM	U.K.	Manufacturing Production (YoY) (Dec)		1.2%	3.5%
3:00 PM	U.K.	Trade Balance (Dec)		-11.50B	-12.23B
5:00 PM	India	FX Reserves, USD			417.79B
8:30 PM	U.S.	Wholesale Inventories (MoM) (Dec)		0.2%	0.2%

DISCLAIMER

This document has been prepared by ICFL (100% Subsidiary Company of Shriram Insight Share Brokers Ltd) and is meant for sole use by the recipient and not for circulation. This document is not to be reported or copied or made available to others. The information contained herein is from sources believed reliable. It should not be considered to be taken as an offer to sell or a solicitation to buy and sell any Commodity or as an official confirmation of any transaction. We do not represent that it is accurate or complete and it should not be relied upon as such. This document is prepared for assistance only and is not intended to be and must not alone be taken as the basis for an investment decision. The investments discussed or recommended in this report may not be suitable for all investors. ICFL (100% Subsidiary Company of Shriram Insight Share Brokers Ltd) Recommendation Service is a general recommendation service and is not to be construed as an individual investor specific Portfolio Management and Advisory Service.

The user assumes the entire risk of any use made of this information. Each recipient of this document should arrive at an independent evaluation of an investment in the Commodities to in this document and should consult its own advisors to determine the merits and risks of such an investment.

ICFL (100% Subsidiary Company of Shriram Insight Share Brokers Ltd) shall not be responsible for any loss or liability incurred to the user as a consequence of his or any other person on his behalf taking any investment decisions based on the information, recommendations, research reports, analysis, quotes, etc. provided on the web site.

ICFL (100% Subsidiary Company of Shriram Insight Share Brokers Ltd) shall also not be liable for errors, omissions or typographical errors, disruption delay, interruption, failure, deletion or defect of/in the Service provided by it.

All Users of the Service in countries other than India understand that by using the Service, they may be violating the local laws in such countries. If the User chooses to access the Service from outside India, he shall be responsible for compliance with foreign and local laws