



COMMODITY REPORT

09 March 2017

ECONOMIC/GLOBAL NEWS

- Oil prices suffered their biggest one-day plunge in more than a year after U.S. crude stockpiles hit record levels, raising concerns that even after recent production cuts, the world remains awash in oil. Supply data from the Energy Information Administration showed crude-oil stockpiles rising by 8.2 million barrels in the week ended March 3, lifting total commercial inventories to a record weekly level of 528.4 million. Gasoline supplies dropped by a much bigger-than-expected 6.6 million barrels, while distillate stockpiles were down 2.7 million barrels last week. April West Texas Intermediate crude fell \$2.86, or 5.38%, to settle at \$50.28 a barrel on the New York Mercantile Exchange. MCX Crude Oil March expiry closed at Rs. 3425 per barrel, down 3.74%.
- China's inflation eased to 0.8% in February from a 32-month high of 2.5% in January. Month-on-month, consumer prices fell 0.2%, the first fall in four months, and followed a 1% rise in January.
- China producer price inflation spiked to 7.8%, the fastest since 2008, from 6.9% in the previous month.
- U.S. ADP said private sector employment surged up by 298,000 jobs in February after jumping by an upwardly revised 261,000 jobs in January.
- U.S. wholesale inventories dipped by 0.2% in January after jumping by 1.0% in December.
- U.K. house price balance was unchanged in February, with a score of +24. That was unchanged from the January reading following a downward revision from +25.
- Germany's industrial production grew 2.8% in January from prior month, when it fell by revised 2.4%.
- French trade deficit widened to EUR 7.94 billion in January from EUR 3.57 billion in December. Imports grew 2.9%, faster than the 1% rise in December. Meanwhile, exports declined 7.7% from prior month.
- French current account deficit rose to EUR 7.0 billion in January from EUR 1.2 billion in December.

Index	08-Mar-17	07-Mar-17	Pts. Ch.	% Change
Dow	20855.73	20924.76	-69.03	-0.33
Nifty	8924.30	8946.90	-22.60	-0.25
Sensex	28901.94	28999.56	-97.62	-0.34
USD/INR	66.71	66.68	0.03	0.04
Dollar Index	102.08	101.81	0.27	0.27
Euro/\$1US	1.0541	1.0566	-0.0025	-0.24
\$1US/Yen	114.35	113.98	0.37	0.32
Pound/\$1US	1.2170	1.2200	-0.0030	-0.25

Market Update

- The Dow industrials and S&P 500 closed lower for a third consecutive session as oil prices dropped and a stronger-than-expected report on private-sector employment helped to bolster expectations for an interest-rate hike next week. The S&P 500 index finished down 5.41 points, or 0.2%, at 2,362.98. The Nasdaq Composite Index rising 3.62 points, or less than 0.1%, to close at 5,837.55.
- Indian market logged small decline. The Sensex closed below the psychological 29,000 level after moving above and below that level in intraday trade.

Currency Update

- The U.S. dollar rose on Wednesday, extending its recent uptrend, as the latest read on the labor market came in stronger than expected, further bolstering expectations that the Federal Reserve would raise interest rates at its meeting next week. The ICE Dollar Index was up 0.3% at 102.14. The WSJ Dollar index rose 0.3%. The pound softened against the dollar, buying \$1.2154 from \$1.2201. The pound traded as low as \$1.2140. The yen the dollar bought ¥114.52, up from the ¥113.98. The euro traded at \$1.0546 from \$1.0566.
- The rupee turned weaker after a two-day rise and ended lower by 3 paise at 66.71 against the US dollar. The domestic unit resumed higher at 66.63 as compared to Tuesday's closing value of 66.68 at the Interbank Foreign Exchange (Forex) market on sustained dollar unwinding. However, it relinquished those gains in late afternoon deals to hit a fresh intra-day low of 66.7375. It finally settled the day at 66.71, showing a modest loss of 3 paise, or 0.04%. The RBI fixed the reference rate for the dollar at 66.6362.

Name of the ETF	Holdings In Tonnes As		%Ch
	08-Mar-17	07-Mar-17	
SPDR Gold ETF	836.77	836.77	0.00
iShares Silver Trust	10303.74	10350.88	-0.46

Symbol	08-Mar-17		Ratio
	Close	Close	
Gold v/s Silver	1209	17.298	69.92
Gold v/s Crude Oil	1209	50.28	24.05

Bullion	Closing		% Ch
	08-Mar-17	07-Mar-17	
Gold Apr MCX	28629	28751	-0.42
Gold Apr Comex	1209	1216	-0.55
Silver May MCX	41430	41943	-1.22
Silver May Comex	17.298	17.536	-1.36
Energy			
Crude Oil Mar MCX	3425	3558	-3.74
Crude Apr Nymex	50.28	53.14	-5.38
Natural Gas Mar MCX	196.80	189.30	3.96
Nat. Gas Apr Henry Hub	2.901	2.824	2.73

LME Inventories (In Tonnes)

Base Metals	08-Mar-17	07-Mar-17	Change	% Change
Aluminum	2101550	2117875	-16325	-0.77
Copper	288525	261975	26550	10.13
Nickel	386118	381096	5022	1.32
Lead	189725	189725	0	0.00
Zinc	383850	386025	-2175	-0.56

Base Metals	Closing		% Ch
	08-Mar-17	07-Mar-17	
Aluminium Mar	125.00	125.25	-0.20
Copper Apr	385.35	386.80	-0.37
Nickel Mar	678.90	710.90	-4.50
Lead Mar	150.15	149.00	0.77
Zinc Mar	180.00	179.40	0.33

ECONOMIC CALENDER

Thursday Mar 09, 2017

Time	Country	Event	Actual	Forecast	Previous
5:31 AM	U.K.	RICS House Price Balance (Feb)	24%	23%	25%
7:00 AM	China	CPI (MoM) (Feb)	-0.2%	0.6%	1.0%
7:00 AM	China	CPI (YoY) (Feb)	0.8%	1.7%	2.5%
7:00 AM	China	PPI (YoY) (Feb)	7.8%	7.7%	6.9%
12:00 PM	Eurozone	French Non-Farm Payrolls (QoQ) (Q4)		0.4%	0.4%
Tentative	China	M2 Money Stock (YoY)		11.4%	11.3%
Tentative	China	New Loans		925.0B	2,030.0B
6:15 PM	Eurozone	Deposit Facility Rate		-0.40%	-0.40%
6:15 PM	Eurozone	ECB Interest Rate Decision (Mar)		0.00%	0.00%
7:00 PM	U.S.	Continuing Jobless Claims		2,060K	2,066K
7:00 PM	U.S.	Export Price Index (MoM) (Feb)		0.2%	0.1%
7:00 PM	U.S.	Import Price Index (MoM) (Feb)		0.1%	0.4%
7:00 PM	U.S.	Initial Jobless Claims		235K	223K
7:00 PM	Eurozone	ECB Press Conference			
9:00 PM	U.S.	Natural Gas Storage		-61B	7B

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