



COMMODITY REPORT

10 January 2018

ECONOMIC/GLOBAL NEWS

- Oil rallied, extending gains into a second consecutive session as expectations for an eighth-straight weekly drop in U.S. crude inventories helped send prices to another finish at a three-year high. February West Texas Intermediate crude climbed \$1.23, or 1.99%, to settle at \$62.96 a barrel on the New York Mercantile Exchange after tapping a high of \$63.24. MCX Crude Oil January expiry closed at Rs. 4003 per barrel, up 2.48%.
- China consumer prices were up 1.8% on year in December, up from 1.7% in November. On a monthly basis, inflation gained 0.3% following the flat reading a month earlier. The producer prices jumped an annual 4.9%, down from 5.8% in the previous month.
- The American Petroleum Institute reported that U.S. crude supplies dropped by 11.2 million barrels for the week ended Jan. 5, according to sources. The API data showed a rise of 4.3 million barrels in gasoline stockpiles, while inventories of distillates climbed by 4.7 million barrels.
- Germany's exports climbed 4.1% on month in November, in contrast to a 0.3% drop registered in October. At the same time, monthly growth in imports accelerated to 2.3% from 1.8% in October. The trade surplus rose to a seasonally adjusted EUR 22.3 billion from around EUR 19.9 billion in October.
- Germany's industrial production expanded 3.4% month-on-month in November, reversing a revised 1.2% drop in October.
- France's trade deficit rose to EUR 5.7 billion in November from EUR 5.3 billion in the previous month. Exports declined at a faster rate of 1.6% monthly in November after a 0.4% drop in October. Imports decreased 0.5% from October, when it increased by 0.8%.
- French current account deficit rose to EUR 3.3 billion in November from EUR 2.6 billion in October.
- Greece's industrial production climbed a working-day-adjusted 0.8% year-over-year in November, just above the 0.7% increase in October. On a monthly basis, industrial production declined a seasonally adjusted 1.6% from October, when it fell by 3.7%.
- Italy's seasonally adjusted unemployment rate edged down to 11.0% in November from 11.1% in October. The number of unemployed declined by 0.6% from the previous month to 2.85 million in November.
- South Korea's seasonally adjusted jobless rate edged down to 3.6% in December from 3.7% in November. On an unadjusted basis, the jobless rate rose to 3.3% in December from 3.2% in the prior month. The number of unemployed people climbed to 915,000 in December from 874,000 in the preceding month.

Index	09-Jan-18	08-Jan-18	Pts. Ch.	% Change
Dow	25385.80	25283.00	102.80	0.41
Nifty	10637.00	10623.60	13.40	0.13
Sensex	34443.19	34352.79	90.40	0.26
USD/INR	63.71	63.51	0.20	0.32
Dollar Index	92.23	92.10	0.13	0.14
Euro/\$1US	1.1928	1.1967	-0.0039	-0.33
\$1US/Yen	112.78	113.09	-0.31	-0.27
Pound/\$1US	1.3531	1.3568	-0.0037	-0.27

Market Update

- U.S. stock benchmarks afternoon finished at fresh records, with the S&P 500 and Nasdaq registering a sixth straight gain for 2018. Meanwhile, the S&P 500 index gained 3.58 points, or 0.1%, to 2,751.29. The Nasdaq Composite Index advanced 6.19 points, or less than 0.1%, at 7,163.58.
- Indian market registered modest gains in a range-bound session of trade. The Sensex and the Nifty, both, hit record high on intraday as well as closing basis. Positive global cues boosted investors' sentiment on the domestic bourses.

Currency Update

- The U.S. dollar advanced against most major rivals, but dropped against the yen after the Bank of Japan trimmed its purchases of long-dated Japanese government debt. The ICE U.S. Dollar Index was up 0.2% to 92.523. The broader WSJ Dollar Index edged up 0.1% to 86.02. Against the Japanese yen, however, the buck fell, last buying ¥112.60, compared with ¥113.09. The euro fell to \$1.1937 from \$1.1968, while Britain's pound dipped to \$1.3541 from \$1.3568.
- The rupee drifted sharply by 20 paise to end at a fresh one-week low of 63.71 against the US currency following steady uptick in dollar demand from importers and banks amid surging crude prices. Staging a recovery from fresh 2018 low, the rupee resumed modestly higher at 63.48 compared to Monday's close of 63.51 at the Interbank Foreign Exchange (forex) market on fresh dollar selling by exporters and banks amid early gains in domestic stocks. It gained further ground to hit an intra-day high of 63.43 in mid-mornings deals before succumbing to fresh dollar pressure. After touching a low of 63.73 towards the tail-end session, the local unit ended the day near its lows of 63.71, a loss of 20 paise, or 0.32%.

Name of the ETF	Holdings In Tonnes As		%Ch
	09-Jan-18	08-Jan-18	
SPDR Gold ETF	831.91	834.86	-0.35
iShares Silver Trust	9877.69	9877.69	0.00

Symbol	09-Jan-18		Ratio
	Close	Close	
Gold v/s Silver	1314	17.010	77.23
Gold v/s Crude Oil	1314	62.96	20.87

Bullion	Closing		% Ch
	09-Jan-18	08-Jan-18	
Gold Feb MCX	29156	29261	-0.36
Gold Feb Comex	1314	1320	-0.51
Silver Mar MCX	38845	39043	-0.51
Silver Mar Comex	17.010	17.144	-0.78
Energy			
Crude Oil Jan MCX	4003	3906	2.48
Crude Feb Nymex	62.96	61.73	1.99
Natural Gas Jan MCX	183.20	179.20	2.23
Nat. Gas Feb Henry Hub	2.923	2.835	3.10

LME Inventories (In Tonnes)

Base Metals	09-Jan-18	08-Jan-18	Change	% Change
Aluminum	1092850	1095875	-3025	-0.28
Copper	203675	203850	-175	-0.09
Nickel	367056	368430	-1374	-0.37
Lead	144050	144000	50	0.03
Zinc	180250	180325	-75	-0.04

Base Metals	Closing		% Ch
	09-Jan-18	08-Jan-18	
Aluminium Jan	136.90	137.75	-0.62
Copper Feb	453.75	453.85	-0.02
Nickel Jan	805.70	798.20	0.94
Lead Jan	162.40	165.35	-1.78
Zinc Jan	213.30	216.00	-1.25

ECONOMIC CALENDER

Wednesday January 10 2018

Time	Country	Event	Actual	Forecast	Previous
3:00 AM	U.S.	API Weekly Crude Oil Stock	-11.190M	-3.900M	-4.992M
7:00 AM	China	CPI (MoM) (Dec)	0.3%	0.4%	0.0%
7:00 AM	China	CPI (YoY) (Dec)	1.8%	1.9%	1.7%
7:00 AM	China	PPI (YoY) (Dec)	4.9%	4.8%	5.8%
1:15 PM	France	French Industrial Production (MoM) (Nov)		-0.4%	1.9%
3:00 PM	U.K.	Industrial Production (MoM) (Nov)		0.4%	0.0%
3:00 PM	U.K.	Industrial Production (YoY) (Nov)		1.8%	3.6%
3:00 PM	U.K.	Manufacturing Production (MoM) (Nov)		0.3%	0.1%
3:00 PM	U.K.	Manufacturing Production (YoY) (Nov)		2.8%	3.9%
3:00 PM	U.K.	Trade Balance (Nov)		-11.00B	-10.78B
3:00 PM	U.K.	Trade Balance Non-EU (Nov)		-2.60B	-2.38B
5:35 PM	India	Trade Balance		-12.37B	-13.83B
7:00 PM	U.S.	Export Price Index (MoM) (Dec)		0.3%	0.5%
7:00 PM	U.S.	Import Price Index (MoM) (Dec)		0.4%	0.7%
8:30 PM	U.S.	Wholesale Inventories (MoM) (Nov)		0.7%	0.7%
9:00 PM	U.S.	Crude Oil Inventories		-3.890M	-7.419M
9:00 PM	U.S.	EIA Weekly Distillates Stocks		1.464M	8.899M
9:00 PM	U.S.	Gasoline Inventories		2.625M	4.813M

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