



COMMODITY REPORT

10 May 2017

ECONOMIC/GLOBAL NEWS

- Gold futures dropped to their lowest settlement since mid-March, as strength in the dollar and growing expectations for a U.S. interest-rate hike next month dulled demand for the metal. June gold fell \$11, or 0.9%, to settle at \$1,216.10 an ounce. The settlement was the lowest in about eight weeks. Meanwhile, July silver lost 19.1 cents, or 1.17%, to \$16.067 an ounce-its lowest settlement of the year. MCX Gold June expiry closed at Rs. 27971 per 10 gram, down 0.43% while July Silver closed at Rs. 37789 per kg, down 0.58%.
- China's consumer prices were up 1.2% on year in April, up from 0.9% in March. On a monthly basis, inflation added 0.1% after slipping 0.3% in the previous month. The producer prices climbed 6.4% on year - down from 7.6% a month earlier.
- U.S. wholesale inventories rose by 0.2% in March after climbing by 0.3% in February.
- The American Petroleum Institute reported a hefty decline of 5.8 million barrels in U.S. crude supplies for the week ended May 5. The API data also showed a rise of 3.2 million barrels in gasoline supplies, while inventories of distillates were down 1.2 million barrels, sources said.
- Germany's exports increased 0.4% in March from the prior month, faster than the expected 0.2% rise. At the same time, imports climbed 2.4% in March after declining 1.6% in February. As a result, the trade surplus declined to a seasonally adjusted EUR 19.6 billion from EUR 21.2 billion in the prior month. On an unadjusted basis, the trade surplus dropped to EUR 25.4 billion from EUR 25.8 billion in the prior year.
- Germany's industrial production fell 0.4% month-over-month in March, reversing a 1.8% rise in February.
- Italy's retail sales remained unchanged in March, following a 0.2% drop in February. On an annual basis, retail sales decreased 0.4% in March, slower than the 0.7% fall in the prior month.

Index	09-May-17	08-May-17	Pts. Ch.	% Change
Dow	20975.78	21012.28	-36.50	-0.17
Nifty	9316.85	9314.05	2.80	0.03
Sensex	29933.25	29926.15	7.10	0.02
USD/INR	64.63	64.31	0.31	0.49
Dollar Index	99.54	98.94	0.60	0.61
Euro/\$1US	1.0874	1.0924	-0.0050	-0.46
\$1US/Yen	113.98	113.25	0.73	0.64
Pound/\$1US	1.2935	1.2940	-0.0005	-0.04

Market Update

- Stocks closed near session lows as the Dow industrials and S&P 500 finished lower and the tech-heavy Nasdaq carved out a new record while investors sifted through mostly upbeat earnings reports against a backdrop of falling oil prices and remarks from Federal Reserve speakers. The S&P 500 index closed down 2.46 points, or 0.1%, at 2,396.92. The benchmark index set a fresh intraday record of 2,403.84 shortly after the open. The Nasdaq Composite Index rose 17.93 points, or 0.3%, to close at a record 6,120.59, its 30th closing record of the year, off its intraday record of 6,133.00.
- Indian market settled with tiny gains after hovering near the flat line in a range bound and listless trading session. Mostly positive global cues supported gains on the bourses. The Sensex settled below the psychological 30,000 mark after regaining that mark intermittently in intraday trade.

Currency Update

- The dollar pared its gains against the Japanese yen following reports that North Korea plans to proceed with its sixth nuclear test despite U.S. President Donald Trump's threat of possible military intervention. The greenback was up 0.5% at ¥113.87 after touching a seven-week high above ¥114 earlier in the session. By comparison, it traded at ¥113.25. The dollar, meanwhile, remained higher on the day against the euro with one unit of the shared currency buying \$1.0872, compared with \$1.0925. The ICE Dollar index rose 0.2% to 99.39. The WSJ Dollar Index rose 0.4% to 90.54. In other trading, the pound moved lower, trading at \$1.236, compared with \$1.2944.
- Scripting its biggest single-day loss this year, the rupee tumbled by a whopping 31 paise to end at a fresh three-week low of 64.63 against the resurgent dollar amid frantic demand for the American unit from importers. The rupee resumed substantially lower at 64.42 against the Monday's closing of 64.31 at the Interbank Foreign Exchange market on fresh bouts of dollar demand. It remained under immense pressure and kept descending at a rapid pace to hit an intra-day low of 64.7050 in late afternoon deals before ending at 64.63, revealing a steep loss of 31 paise, or 0.49%. The RBI fixed the reference rate for the dollar at 64.5065.

Name of the ETF	Holdings In Tonnes As		%Ch
	09-May-17	08-May-17	
SPDR Gold ETF	851.89	851.89	0.00
iShares Silver Trust	10412.74	10412.74	0.00

Symbol	09-May-17		Ratio
	Close	Close	
Gold v/s Silver	1216	16.067	75.69
Gold v/s Crude Oil	1216	45.88	26.51

Bullion	Closing		% Ch
	09-May-17	08-May-17	
Gold Jun MCX	27971	28091	-0.43
Gold Jun Comex	1216	1227	-0.90
Silver Jul MCX	37789	38011	-0.58
Silver Jul Comex	16.067	16.258	-1.17
Energy			
Crude Oil May MCX	2969	2980	-0.37
Crude Jun Nymex	45.88	46.43	-1.18
Natural Gas May MCX	209.70	204.20	2.69
Nat. Gas Jun Henry Hub	3.227	3.172	1.73

LME Inventories (In Tonnes)

Base Metals	09-May-17	08-May-17	Change	% Change
Aluminum	1577800	1592300	-14500	-0.91
Copper	342825	351550	-8725	-2.48
Nickel	380718	380712	6	0.002
Lead	176725	177225	-500	-0.28
Zinc	342025	338700	3325	0.98

Base Metals	Closing		% Ch
	09-May-17	08-May-17	
Aluminium May	121.05	120.90	0.12
Copper Jun	359.10	356.65	0.69
Nickel May	597.00	589.70	1.24
Lead May	140.50	139.80	0.50
Zinc May	168.90	166.85	1.23

ECONOMIC CALENDER

Wednesday May 10, 2017

Time	Country	Event	Actual	Forecast	Previous
2:05 AM	U.S.	API Weekly Crude Oil Stock	-5.789M	-1.800M	-4.158M
7:00 AM	China	CPI (MoM) (Apr)	0.1%		-0.3%
7:00 AM	China	CPI (YoY) (Apr)	1.2%	1.1%	0.9%
7:00 AM	China	PPI (YoY) (Apr)	6.4%	6.9%	7.6%
12:15 PM	France	French Current Account (Mar)			-3.60B
12:15 PM	France	French Exports (Mar)			37.8B
12:15 PM	France	French Imports (Mar)			44.4B
12:15 PM	France	French Industrial Production (MoM) (Mar)		1.0%	-1.6%
12:15 PM	France	French Trade Balance (Mar)		-6.0B	-6.6B
5:00 PM	India	M3 Money Supply			7.1%
5:30 PM	Eurozone	ECB President Draghi Speaks			
6:00 PM	U.S.	Export Price Index (MoM) (Apr)		0.1%	0.2%
6:00 PM	U.S.	Import Price Index (MoM) (Apr)		0.2%	-0.2%
8:00 PM	U.S.	Crude Oil Inventories		-1.786M	-0.930M
8:00 PM	U.S.	EIA Weekly Distillates Stocks		-1.013M	-0.562M
8:00 PM	U.S.	Gasoline Inventories		-0.538M	0.191M
11:30 PM	U.S.	Federal Budget Balance (Apr)		-175.8B	-176.0B

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