



COMMODITY REPORT

11 September 2017

ECONOMIC/GLOBAL NEWS

- U.S. oil prices dropped by more than 3% to the lowest finish in a week as domestic refineries saw a slow recovery from flooding due to Hurricane Harvey, which made landfall on the Texas coast two weeks ago. October West Texas Intermediate crude fell \$1.61, or 3.28%, to settle at \$47.48 a barrel on the New York Mercantile Exchange. MCX Crude Oil September expiry closed at Rs. 3045 per barrel, down 3.12%.
- China's consumer inflation rose 1.8% year-on-year in August, up from July's 1.4%. On a monthly basis, the index was up 0.4% last month. Producer price index rose 6.3% year-on-year in August. The pace of PPI growth accelerated from 5.5% in July. On a month-on-month basis, the index was up 0.9% last month. PPI grew 6.4% year-on-year for January-August.
- U.S. wholesale inventories climbed by 0.6% in July, matching the downwardly revised increase in June.
- U.S. consumer credit jumped by \$18.5 billion in July after rising by a downwardly revised \$11.8 billion in June.
- U.K. trade deficit in goods edged up to 11.576 billion pounds in July from a sharply downwardly revised 11.527 billion pounds for June.
- U.K. industrial production grew 0.2% month-on-month in July, slower than the 0.5% increase seen in June. The manufacturing output, which advanced 0.5%. Year-on-year, industrial production growth improved marginally to 0.4% in July from 0.3% in June. Manufacturing output increased 1.9% annually after expanding 0.6% a month ago.
- German exports grew 0.2% month-on-month in July, reversing a 2.7% fall in June. At the same time, imports advanced 2.2%, in contrast to a 4.4% decline in June. As a result, the trade surplus decreased to around adjusted EUR 19.6 billion from EUR 21.2 billion a month ago.
- France's industrial production rose 0.5% month-over-month in July, reversing a 1.1% drop in June. On a yearly basis, industrial production advanced 3.1% in July.
- Japan core machine orders surged a seasonally adjusted 8.0% on month in July - standing at 853.3 billion yen, following the 1.9% decline in June. On a yearly basis, core machine orders tumbled 7.5% - following the 5.2% decline in the previous month.

Index	08-Sep-17	07-Sep-17	Pts. Ch.	% Change
Dow	21797.79	21784.78	13.01	0.06
Nifty	9934.80	9929.90	4.90	0.05
Sensex	31687.52	31662.74	24.78	0.08
USD/INR	63.78	64.05	-0.27	-0.41
Dollar Index	91.33	91.64	-0.31	-0.34
Euro/\$1US	1.2035	1.2023	0.0012	0.10
\$1US/Yen	107.84	108.45	-0.61	-0.56
Pound/\$1US	1.3198	1.3101	0.0097	0.74

Market Update

- U.S. stock indexes closed mostly lower, finishing a holiday-shortened week with modest losses, as investors traded cautiously ahead of a potential missile test by North Korea and Hurricane Irma's arrival on the Florida coast over the weekend. The S&P 500 index closed 3.67 points, or 0.2%, lower at 2,461.43. The Nasdaq Composite Index declined 37.68 points, or 0.6%, to 6,360.19.
- Indian market closed the lackluster trading session with minuscule gains. Trading was confined to a narrow range around the flat line throughout the session. Weakness in European stocks capped the gains for the domestic indices.

Currency Update

- The U.S. dollar retreated against major rivals as natural disasters, geopolitical tensions and a continued pullback in Treasury yields cast a pall over the U.S. unit, with exchange rates against the Japanese yen, the euro and the pound at recent highs. The ICE U.S. Dollar Index fell 0.4% to 91.308. The WSJ Dollar Index lost 0.3% to 84.47. The dollar-yen pair broke through the ¥108 level for the first time since November 2016, slipping to ¥107.77 versus ¥108.45. The dollar continued to fall against the euro hit an intraday high of \$1.2093 before moving back to \$1.2034. That is still higher than \$1.2024. The pound changed hands at \$1.3204 after hitting an intraday high of \$1.3224, its highest since early August. Sterling bought \$1.3102.
- Steering its spectacular run for the third straight session, the rupee surged by 27 paise to hit a fresh one-month high of 63.78 against the dollar as the beleaguered US currency continued its incessant free-fall worldwide. The home currency resumed with a gap-up at 63.85 as against Thursday's close of 64.05 at the Interbank Foreign Exchange (forex) market. Maintaining its stellar momentum, it rallied strongly throughout the day and finished at 63.78, a sharp gain of 27 paise, or 0.41%. The RBI fixed the reference rate for the dollar at 63.8664.

Name of the ETF	Holdings In Tonnes As		%Ch
	08-Sep-17	07-Sep-17	
SPDR Gold ETF	834.50	836.87	-0.28
iShares Silver Trust	10173.58	10173.58	0.00

Symbol	08-Sep-17		Ratio
	Close	Close	
Gold v/s Silver	1351	18.123	74.56
Gold v/s Crude Oil	1351	47.48	28.46

Bullion	Closing		% Ch
	08-Sep-17	07-Sep-17	
Gold Oct MCX	30268	30282	-0.05
Gold Dec Comex	1351	1350	0.07
Silver Dec MCX	41570	41617	-0.11
Silver Dec Comex	18.123	18.116	0.04
Energy			
Crude Oil Sep MCX	3045	3143	-3.12
Crude Oct Nymex	47.48	49.09	-3.28
Natural Gas Sep MCX	185.60	191.40	-3.03
Nat. Gas Oct Henry Hub	2.890	2.981	-3.05

LME Inventories (In Tonnes)

Base Metals	08-Sep-17	07-Sep-17	Change	% Change
Aluminum	1321500	1321375	125	0.01
Copper	213175	210725	2450	1.16
Nickel	384978	384150	828	0.22
Lead	164375	164450	-75	-0.05
Zinc	241800	242675	-875	-0.36

Base Metals	Closing		% Ch
	08-Sep-17	07-Sep-17	
Aluminium Sept	132.85	134.45	-1.19
Copper Nov	431.10	446.05	-3.35
Nickel Sept	734.00	778.70	-5.74
Lead Sept	143.75	149.10	-3.59
Zinc Sept	193.65	200.60	-3.46

ECONOMIC CALENDER

Monday September 11 2017

Time	Country	Event	Actual	Forecast	Previous
5:20 AM	Japan	Core Machinery Orders (YoY) (Jul)	-7.5%	-7.3%	-5.2%
5:20 AM	Japan	Core Machinery Orders (MoM) (Jul)	8.0%	4.4%	-1.9%

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