



COMMODITY REPORT

12 January 2018

ECONOMIC/GLOBAL NEWS

- Natural gas rallied after the U.S. Energy Information Administration reported that domestic supplies of natural gas fell by 359 billion cubic feet for the week ended Jan. 5. Total stocks now stand at 2.767 trillion cubic feet, down 415 billion cubic feet from a year ago, and 382 billion below the five-year average, the government said. Supplies logged a record weekly decline, lifting prices to their highest levels since late November. February natural gas jumped 17.8 cents, or 6.13%, to settle at \$3.084 per million British thermal units. MCX Natural Gas January expiry closed at Rs. 195.40 per British thermal unit, up 5.39%.
- China's exports advanced 10.9% year-over-year in December. Imports increased 4.9% in December from a year ago. The trade surplus totaled \$54.69 billion in December.
- U.S. producer price index for final demand edged down by 0.1% in December after climbing by 0.4% in November. Core producer prices still dipped by 0.1% in December following a 0.3% increase in November. Compared to the same month a year ago, producer prices were up by 2.6% in December and core producer prices were up by 2.3%.
- U.S. initial jobless claims climbed to 261,000 in the week ended January 6th, an increase of 11,000 from the previous week's unrevised level of 250,000. Continuing claims fell by 35,000 to 1.867 million in the week ended December 30th.
- U.S. Federal spending still exceeded revenue by \$23 billion last month, compared with a \$27 billion budget gap in December 2016.
- Eurozone industrial production climbed 1% month-on-month in November, following October's 0.4% increase. However, the annual growth in industrial output eased to 3.2% in November from 3.9% in October.
- German gross domestic product grew 2.2% in 2017 after expanding 1.9% in 2016.
- Spain's industrial production climbed by adjusted 4.2% annually, which was slower than October's 4.4% increase.
- Japan posted a current account surplus of 1.347 trillion yen in November - down 5.6% on year, down from 2.176 trillion yen in October.

Index	11-Jan-18	10-Jan-18	Pts. Ch.	% Change
Dow	25574.73	25369.13	205.60	0.81
Nifty	10651.20	10632.20	19.00	0.18
Sensex	34503.49	34433.07	70.42	0.20
USD/INR	63.66	63.59	0.06	0.10
Dollar Index	91.61	92.07	-0.46	-0.50
Euro/\$1US	1.2043	1.1947	0.0096	0.80
\$1US/Yen	111.28	111.44	-0.16	-0.14
Pound/\$1US	1.3542	1.3507	0.0035	0.26

Market Update

- U.S. stock benchmarks resumed their climb to close at records, a day after the S&P 500 and Nasdaq suffered the first down day of the year on anxieties about appetite for Treasuries from the world's second-largest economy, China. The S&P 500 index climbed 19.33 points, or 0.7%, to 2,767.56. The Nasdaq Composite Index advanced 58.21 points, or 0.8%, to 7,211.78
- Indian market settled with modest gains. The Nifty had hit a record high in intraday trade.

Currency Update

- The euro popped higher and defended its gains following minutes from the European Central Bank's December meeting, which were interpreted as bullish, thereby reversing an earlier rebound in the U.S. dollar. The ICE U.S. Dollar Index fell 0.6% to 91.824. Meanwhile, the WSJ Dollar Index slipping 0.5% to 85.38. The euro rose to \$1.2044 from \$1.1949. The British pound also benefiting from the resurfaced dollar weakness, changed hands at \$1.3534, down from \$1.3508. Against the Japanese yen, the U.S. currency bought ¥111.07 compared with ¥111.43.
- The overnight recovery proved to be short-lived as the rupee once again turned shaky against the US dollar and settled lower by 6 paise to 63.66 on fresh bouts of demand for the American currency. At the Interbank Foreign Exchange (forex) market, the Indian unit resumed modestly weak at 63.65 against Wednesday's close of 63.59. It later touched a low of 63.81 on heavy dollar pressure. The rupee finally settled the day at 63.66, showing a small loss of 6 paise, or 0.10%.

Name of the ETF	Holdings In Tonnes As		%Ch
	11-Jan-18	10-Jan-18	
SPDR Gold ETF	828.96	828.96	0.00
iShares Silver Trust	9839.55	9839.55	0.00

Symbol	11-Jan-18		Ratio
	Close	Close	
Gold v/s Silver	1323	16.966	77.95
Gold v/s Crude Oil	1323	63.80	20.73

Bullion	Closing		% Ch
	11-Jan-18	10-Jan-18	
Gold Feb MCX	29390	29324	0.23
Gold Feb Comex	1323	1319	0.24
Silver Mar MCX	38939	38992	-0.14
Silver Mar Comex	16.966	17.035	-0.41
Energy			
Crude Oil Jan MCX	4100	4036	1.59
Crude Feb Nymex	63.80	63.57	0.36
Natural Gas Jan MCX	195.40	185.40	5.39
Nat. Gas Feb Henry Hub	3.084	2.906	6.13

LME Inventories (In Tonnes)

Base Metals	11-Jan-18	10-Jan-18	Change	% Change
Aluminum	1088325	1090525	-2200	-0.20
Copper	201650	203750	-2100	-1.03
Nickel	368292	365868	2424	0.66
Lead	142575	143450	-875	-0.61
Zinc	180175	180225	-50	-0.03

Base Metals	Closing		% Ch
	11-Jan-18	10-Jan-18	
Aluminium Jan	138.80	138.90	-0.07
Copper Feb	456.15	457.10	-0.21
Nickel Jan	802.80	819.00	-1.98
Lead Jan	162.70	163.00	-0.18
Zinc Jan	216.65	214.65	0.93

ECONOMIC CALENDER

Friday January 12 2018					
Time	Country	Event	Actual	Forecast	Previous
12:30 AM	U.S.	Federal Budget Balance (Dec)	-23.0B	-49.2B	-139.0B
5:20 AM	Japan	Current Account n.s.a. (Nov)	1.374T	1.836T	2.176T
10:15 AM	China	Exports (YoY) (Dec)	10.9%	9.1%	12.3%
10:15 AM	China	Imports (YoY) (Dec)	4.5%	13.0%	17.7%
10:15 AM	China	Trade Balance (USD) (Dec)	54.69B	37.00B	40.21B
1:15 PM	France	French CPI (MoM) (Dec)		0.3%	0.3%
5:00 PM	India	Cumulative Industrial Production (Nov)			2.50%
5:00 PM	India	Industrial Production (YoY) (Nov)		4.4%	2.2%
5:00 PM	India	Manufacturing Output (MoM) (Nov)			2.5%
5:30 PM	India	CPI (YoY) (Dec)		5.10%	4.88%
7:00 PM	U.S.	Core CPI (MoM) (Dec)		0.2%	0.1%
7:00 PM	U.S.	Core CPI (YoY) (Dec)		1.7%	1.7%
7:00 PM	U.S.	Core Retail Sales (MoM) (Dec)		0.4%	1.0%
7:00 PM	U.S.	CPI (YoY) (Dec)		2.1%	2.2%
7:00 PM	U.S.	CPI (MoM) (Dec)		0.2%	0.4%
7:00 PM	U.S.	Retail Sales (MoM) (Dec)		0.4%	0.8%
8:30 PM	U.S.	Business Inventories (MoM) (Nov)		0.3%	-0.1%

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