



COMMODITY REPORT

14 August 2017

ECONOMIC/GLOBAL NEWS

- Gold scored highest level in more than two months, as simmering North Korean tensions buoyed haven demand for precious metals. December gold rose \$3.90, or 0.3%, to settle at \$1,294 an ounce. MCX Gold October expiry closed at Rs. 29203 per 10 gram, up 0.09%.
- China's industrial production climbed 6.4% year-over-year in July, slower than the 7.6% spike in June. Retail sales advanced 10.4% annually in July, following a 11.0% surge in the prior month. The fixed asset investment grew at a slightly slower pace of 8.3% in July from a year ago, after a 8.6% hike in June.
- China's fiscal spending grew 5.4% from a year ago in July. At the same time, fiscal revenues climbed 11.1% in July.
- U.S. consumer price index inched up by 0.1% in July after coming in unchanged in June. Core consumer prices still crept up by 0.1% in July, matching the increases seen in the three previous months. Consumer prices in July were up by 1.7% compared to the same month a year ago, reflecting a modest acceleration from the 1.6 year-over-year growth in June. The annual rate of growth in core consumer prices came in at 1.7% in July, unchanged from the previous month.
- Germany's consumer price inflation grew 1.7% annually in July, slightly faster than the 1.6% increase registered in June. On a monthly basis, inflation doubled to 0.4%.
- Germany's wholesale price inflation advanced 2.2% on a yearly basis in July, slower than the 2.5% increase in June. Month-on-month, wholesale prices fell 0.1% after staying flat in June.
- French consumer prices climbed 0.7% year-on-year in July, the same rate as seen in June. On a monthly basis, consumer prices dropped 0.3% after staying flat.
- French payroll employment climbed 91,700 or 0.5% in the second quarter from the first quarter. Year on year, private payroll employment increased by 291,900 or 1.5%.
- Japan's gross domestic product advanced 1.0% on quarter in the second three months of 2017, following the upwardly revised 0.4% increase in the three months prior (originally -0.3%). On a yearly basis, GDP surged 4.0% - up from the upwardly revised 1.5% jump in the first quarter (originally 1.0%).
- India's industrial production fell 0.1% in June from a year ago, reversing a revised 2.8% expansion in May. While mining and electricity output grew 0.4% and 2.1%, respectively, output in manufacturing dropped 0.4%. During the quarter ended June, industrial production advanced 2% from the corresponding period of previous year.

Index	11-Aug-17	10-Aug-17	Pts. Ch.	% Change
Dow	21858.32	21844.01	14.31	0.07
Nifty	9710.80	9820.25	-109.45	-1.11
Sensex	31213.59	31531.33	-317.74	-1.01
USD/INR	64.13	64.08	0.05	0.08
Dollar Index	92.96	93.30	-0.34	-0.36
Euro/\$1US	1.1821	1.1772	0.0049	0.42
\$1US/Yen	109.19	109.22	-0.03	-0.03
Pound/\$1US	1.3012	1.2975	0.0037	0.29

Market Update

- U.S. stocks closed higher as Wall Street clawed back from a sharp decline in the previous session but the market still posted a weekly loss on lingering geopolitical uncertainties. The S&P 500 gained 3.11 points, or 0.1%, to end at 2,441.32. The Nasdaq Composite Index climbed 39.68 points, or 0.6%, to close at 6,256.56.
- Indian market registered strong losses on weak global cues amid escalating tensions between the US and North Korea. The Sensex and the Nifty registered losses for the fifth straight trading session.

Currency Update

- The dollar finished the week in the red on the back of weak July inflation figures, as well as new comments earlier Friday from President Trump warning North Korea against threatening the U.S. or its allies. The ICE Dollar Index sliding to 93.0840, down from 93.460. The euro spiked on the back of the release, buying \$1.1821, up from \$1.1774, while the pound briefly jumped to \$1.3009, compared with \$1.2978. The dollar fetched ₹109.18, slightly up from ₹109.20.
- Extending its downtrend for the third straight day, the rupee ended lower by 5 paise at 64.13 against the US dollar due to sustained demand for the American currency from importers and corporates. In line with weak equity markets, the rupee fell sharply to hit a fresh two-week low of 64.28 in late morning deals before staging a smart rebound toward fag-end trade. Struggling to register any meaningful recovery, the rupee opened sharply lower at 64.20 against Thursday's close of 64.08 at the Interbank Foreign Exchange market. However, the local unit managed to pare early losses towards the fag-end trade to end at 64.13, showing a modest fall of 5 paise, or 0.08%. The RBI fixed the reference rate for the dollar at 64.1693.

Name of the ETF	Holdings In Tonnes As		%Ch
	11-Aug-17	10-Aug-17	
SPDR Gold ETF	786.87	786.87	0.00
iShares Silver Trust	10445.33	10445.33	0.00

Symbol	10-Aug-17		Ratio
	Close	Close	
Gold v/s Silver	1294	17.070	75.81
Gold v/s Crude Oil	1294	48.82	26.51

Bullion	Closing		% Ch
	11-Aug-17	10-Aug-17	
Gold Oct MCX	29203	29176	0.09
Gold Dec Comex	1294	1290	0.30
Silver Sep MCX	39194	39213	-0.05
Silver Sep Comex	17.070	17.065	0.03
Energy			
Crude Oil Aug MCX	3127	3128	-0.03
Crude Sep Nymex	48.82	48.59	0.47
Natural Gas Aug MCX	191.70	191.90	-0.10
Nat. Gas Sep Henry Hub	2.983	2.985	-0.07

LME Inventories (In Tonnes)

Base Metals	11-Aug-17	10-Aug-17	Change	% Change
Aluminum	1283825	1294075	-10250	-0.79
Copper	283675	288050	-4375	-1.52
Nickel	375696	374382	1314	0.35
Lead	152050	152575	-525	-0.34
Zinc	258300	259700	-1400	-0.54

Base Metals	Closing		% Ch
	11-Aug-17	10-Aug-17	
Aluminium Aug	130.30	129.80	0.39
Copper Aug	412.25	411.50	0.18
Nickel Aug	681.40	697.20	-2.27
Lead Aug	148.60	150.90	-1.52
Zinc Aug	185.45	187.55	-1.12

ECONOMIC CALENDER

Monday August 14 2017						
Time	Country	Event	Actual	Forecast	Previous	
5:20 AM	Japan	GDP (YoY) (Q2)	4.0%	2.5%	1.5%	
5:20 AM	Japan	GDP (QoQ) (Q2)	1.0%	0.6%	0.4%	
7:30 AM	China	Fixed Asset Investment (YoY) (Jul)	8.3%	8.6%	8.6%	
7:30 AM	China	Industrial Production (YoY) (Jul)	6.4%	7.2%	7.6%	
7:30 AM	China	Retail Sales (YoY) (Jul)	10.4%	10.8%	11.0%	
12:00 PM	India	WPI Food (YoY) (Jul)			-1.25%	
12:00 PM	India	WPI Fuel (YoY) (Jul)			5.28%	
12:00 PM	India	WPI Inflation (YoY) (Jul)		1.30%	0.90%	
12:00 PM	India	WPI Manufacturing Inflation (YoY) (Jul)			2.27%	
Tentative	China	M2 Money Stock (YoY)		9.4%	9.4%	
Tentative	China	New Loans		790.0B	1,540.0B	
2:30 PM	Eurozone	Industrial Production (YoY) (Jun)		2.8%	4.0%	
2:30 PM	Eurozone	Industrial Production (MoM) (Jun)		-0.5%	1.3%	
5:30 PM	India	CPI (YoY) (Jul)		1.87%	1.54%	
Tentative	India	Trade Balance			-12.96B	

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