



COMMODITY REPORT

14 December 2017

ECONOMIC/GLOBAL NEWS

- Crude oil prices settled lower on Wednesday after data showing crude stockpiles fell for the second straight week failed to offset a larger-than-expected build in gasoline supplies. On the New York Mercantile Exchange crude futures for January delivery fell 1% to settle at \$56.60 a barrel.
- China reported industrial production for November came in at a gain of 6.1%, compared with a 6.2% rise seen followed by retail sales which rose 10.2%, compared to a 10.3% rise expected and fixed asset investment came in up 7.2% as seen.
- The Federal Reserve approved its third rate hike of 2017, and forecasts further rate hikes despite growing concerns over the slow pace of inflation. The policymaking Federal Open Market Committee (FOMC) agreed to raise its benchmark rate target by 0.25% to 1.25%-1.5%, and maintained its forecast for additional rate hikes in 2018.
- The US Labor Department said its Consumer Price Index excluding the volatile food and energy components ticked up 0.1 percent also as prices for airline fares and household furnishing fell. The so-called core CPI advanced 0.2 percent in October. The annual increase in the core CPI slowed to 1.7 percent in November from 1.8 percent in October.
- Japanese manufacturing activity expanded at the fastest pace in almost four years in December as new orders accelerated suggesting the economy was poised to extend its near two-year run of growth The Markit/Nikkei Japan Manufacturing Flash Purchasing Managers Index (PMI) rose to a seasonally adjusted 54.2 in December from a final reading of 53.6 in November.
- The jobless rate in the UK was unchanged at a prior 42-year low in October. The Office for National Statistics said that the rate of unemployment held steady at 4.3% in October, compared to forecasts for it to drop to 4.2%.

Index	13-Dec-17	12-Dec-17	Pts. Ch.	% Change
Dow	24585.43	24504.80	80.63	0.33
Nifty	10192.95	10240.15	-47.20	-0.46
Sensex	33053.04	33227.99	-174.95	-0.53
USD/INR	64.33	64.41	-0.08	-0.12
Dollar Index	93.47	94.10	-0.63	-0.67
Euro/\$1US	1.1837	1.1742	0.0095	0.81
\$1US/Yen	112.76	113.54	-0.78	-0.69
Pound/\$1US	1.3409	1.3319	0.0090	0.68

Market Update

- U.S. stocks mostly rose on Wednesday, with the Dow ending at a record for a fourth straight session after the Federal Reserve raised interest rates, as had been widely expected. The Dow Jones Industrial Average gained 80.63 points, or 0.3%, to 24,585.43. The S&P fell 1.26 point to 2,662.85, a drop of less than 0.1%. The Nasdaq Composite Index rose 13.48 points, or 0.2%, to 6,875.8.
- Domestic Market saw volatility amid slew of domestic economic data and ahead of central bank meetings in Europe and the US, to decide on interest rates. Key benchmark indices registered modest losses in a volatile session of trade. The barometer index S&P BSE Sensex, lost 174.95 points or 0.53% to settle at 33,053.04. The Nifty 50 index declined 47.20 points or 0.46% to settle at 10,192.95.

Currency Update

- The U.S. dollar dropped further against its main rivals on Wednesday, after the Federal Reserve left its outlook for 2018 interest rates hikes and inflation unchanged. Elsewhere, U.K. lawmakers voted against Prime Minister Theresa May's Brexit plan, briefly pushing the British pound off its session highs. The ICE U.S. Dollar Index DXY slipped 0.7% to 93.437 against six major rivals. The euro EURUSD, benefited from the weaker greenback and rose to \$1.1837, up from \$1.1743 on Tuesday. Similarly, the British pound GBPUSD, rose to \$1.3409, compared with \$1.3319 on Tuesday. Against the Japanese yen USDJPY, the buck slipped to ¥112.76 compared with ¥113.54 on Tuesday.
- The Rupee pared its early steep losses to end marginally down at 64.4 against the American currency ahead of the US Fed's decision on rate hike.

Name of the ETF	Holdings In Tonnes As		%Ch
	13-Dec-17	12-Dec-17	
SPDR Gold ETF	844.29	842.81	0.18
iShares Silver Trust	10194.24	10161.96	0.32

Symbol	13-Dec-17		Ratio
	Close	Close	
Gold v/s Silver	1249	15.869	78.68
Gold v/s Crude Oil	1249	56.60	22.06

Bullion	Closing		% Ch
	13-Dec-17	12-Dec-17	
Gold Feb MCX	28195	28142	0.19
Gold Feb Comex	1249	1242	0.53
Silver Mar MCX	36967	36729	0.65
Silver Mar Comex	15.869	15.668	1.28
Energy			
Crude Oil Dec MCX	3656	3692	-0.98
Crude Jan Nymex	56.60	57.14	-0.95
Natural Gas Dec MCX	176.40	175.20	0.68
Nat. Gas Jan Henry Hub	2.715	2.678	1.38

LME Inventories (In Tonnes)

Base Metals	13-Dec-17	12-Dec-17	Change	% Change
Aluminum	1109725	1103325	6400	0.58
Copper	191600	193475	-1875	-0.97
Nickel	377166	375564	1602	0.43
Lead	144600	145550	-950	-0.65
Zinc	196850	197875	-1025	-0.52

Base Metals	Closing		% Ch
	13-Dec-17	12-Dec-17	
Aluminium Dec	129.15	129.70	-0.42
Copper Feb	437.25	434.50	0.63
Nickel Dec	713.10	716.60	-0.49
Lead Dec	162.50	162.95	-0.28
Zinc Dec	203.20	203.50	-0.15

ECONOMIC CALENDER

Thursday December 14 2017

Time	Country	Event	Actual	Forecast	Previous
12:30 AM	U.S.	FOMC Statement			
12:30 AM	U.S.	Fed Interest Rate Decision	1.50%	1.50%	1.25%
5:31 AM	U.K.	RICS House Price Balance (Nov)	0%	-1%	1%
6:00 AM	Japan	Manufacturing PMI (Dec)	54.2		53.6
7:30 AM	China	Fixed Asset Investment (YoY) (Nov)	7.20%	7.2%	7.3%
7:30 AM	China	Industrial Production (YoY) (Nov)	6.10%	6.2%	6.2%
7:30 AM	China	Retail Sales (YoY) (Nov)	10.20%	10.3%	10.0%
12:00 PM	India	WPI Inflation (YoY) (Nov)		3.78%	3.59%
12:00 PM	India	WPI Manufacturing Inflation (YoY) (Nov)			2.62%
1:15 PM	France	French CPI (MoM) (Nov)		0.1%	0.1%
1:30 PM	France	French Manufacturing PMI (Dec)		57.2	57.7
1:30 PM	France	French Markit Composite PMI (Dec)		59.3	60.3
1:30 PM	France	French Services PMI (Dec)		59.9	60.4
2:00 PM	Germany	German Composite PMI (Dec)		57.3	57.3
2:00 PM	Germany	German Manufacturing PMI (Dec)		62.2	62.5
2:00 PM	Germany	German Services PMI (Dec)		54.7	54.3
2:30 PM	Eurozone	Manufacturing PMI (Dec)		59.8	60.1
2:30 PM	Eurozone	Markit Composite PMI (Dec)		57.2	57.5
2:30 PM	Eurozone	Services PMI (Dec)		56.1	56.2
3:00 PM	U.K.	Core Retail Sales (YoY) (Nov)		0.5%	-0.3%
3:00 PM	U.K.	Retail Sales (MoM) (Nov)		0.4%	0.3%
3:00 PM	U.K.	Retail Sales (YoY) (Nov)		0.3%	-0.3%
5:30 PM	U.K.	BoE QE Total (Dec)		435B	435B
5:30 PM	U.K.	BoE Interest Rate Decision (Dec)		0.50%	0.50%
6:15 PM	Eurozone	Deposit Facility Rate		-0.40%	-0.40%
6:15 PM	Eurozone	ECB Interest Rate Decision (Dec)		0.00%	0.00%
7:00 PM	U.S.	Continuing Jobless Claims			1,908K
7:00 PM	U.S.	Core Retail Sales (MoM) (Nov)		0.7%	0.1%
7:00 PM	U.S.	Export Price Index (MoM) (Nov)		0.2%	0.7%
7:00 PM	U.S.	Import Price Index (MoM) (Nov)		0.8%	0.2%
7:00 PM	U.S.	Initial Jobless Claims		240K	236K
7:00 PM	U.S.	Retail Sales (MoM) (Nov)		0.30%	0.20%
7:00 PM	Eurozone	ECB Press Conference			
8:15 PM	U.S.	Manufacturing PMI (Dec)		54.2	53.9
8:15 PM	U.S.	Services PMI (Dec)		54.6	54.5
9:00 PM	U.S.	Natural Gas Storage		-7B	2B

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