



COMMODITY REPORT

15 March 2017

ECONOMIC/GLOBAL NEWS

- Oil prices fell, extending its multi session losing streak, after a monthly OPEC report showed production out of Saudi Arabia climbing back above 10 million barrels of oil a day, along with a sizable increase in U.S. output. April West Texas Intermediate crude lost 68 cents, or 1.4%, to settle at \$47.72 a barrel on the New York Mercantile Exchange. MCX Crude Oil March expiry closed at Rs. 3136 per barrel, down 2.09%.
- The Organization of the Petroleum Exporting Country's latest monthly report revealed that Saudi Arabian crude oil came in at 10.011 million barrels a day in February, up from 9.748 million in January. OPEC said crude-oil production by its members in February, based on secondary sources, fell by 140,000 barrels a day from the previous month to average 31.96 million barrels a day. OPEC members had pledged to reduce their collective production to no more than 32.5 million barrels a day for six months starting in January.
- U.S. producer price index for final demand advanced by 0.3% in February. This followed a rise of 0.6% in January. Core prices also climbed by 0.3%. For the 12 months ending in February, core prices were up 1.8%. Headline price, which include those volatile sectors, was up 2.2% on a 12-month basis.
- The American Petroleum Institute reported a decline of 531,000 barrels in U.S. crude supplies for the week ended March 10. The API data also showed a fall of 3.9 million barrels in gasoline supplies and a drop of 4.1 million barrels in distillates, sources said.
- U.K. CB leading economic index increased 0.4% in January 2017 to 113.5. The CB coincident economic index was unchanged in January 2017 at 108.7.
- Eurozone ZEW economic sentiment improved considerably in March by 8.5 points, bringing the expectation indicator up to a current level of 25.6 points. The indicator for the current economic situation also strengthened significantly in March. The indicator climbed 4.6 points to 7.4.
- Germany's consumer price index inflation rose to 2.2% in February from 1.9% in January. Compared to the previous month, the CPI rose 0.6% in February, offsetting January's 0.6% decline.
- German ZEW economic sentiment gained 2.4 points to 12.8 in March. The current conditions index of the survey rose 0.9 points to 77.3 in March.
- Japan's industrial production fell 0.4% month-over-month in January. In December, production had risen 0.7%. On an annual basis, industrial production climbed at a faster pace of 3.7% in January, following a 3.2% gain in the prior month.
- India's wholesale price inflation climbed 6.55% year-over-year in February, following a 5.25% increase in the prior month. Prices of primary articles grew 5.0% annually in February and those of food articles went up by 2.7%. On a monthly basis, wholesale prices rose 0.5% in February. Fuel and power inflation rose 21.02% in February from 18.14% last month. WPI inflation in manufactured products, which has a 64.97% weight in the index, increased 3.66% from 3.99% in the previous month. Mineral prices were up 31%.
- India's consumer price index rose 3.65% year-on-year in February following 3.17% increase in January. On a month-on-month basis, the CPI rose 0.23% in February and food prices dropped 0.08%.

Index	14-Mar-17	13-Mar-17	Pts. Ch.	% Change
Dow	20837.37	20881.48	-44.11	-0.21
Nifty	9087.00	CLOSED	-	-
Sensex	29442.63	CLOSED	-	-
USD/INR	65.80	CLOSED	-	-
Dollar Index	101.57	101.31	0.26	0.26
Euro/\$1US	1.0604	1.0654	-0.0050	-0.47
\$1US/Yen	114.75	114.88	-0.13	-0.11
Pound/\$1US	1.2154	1.2219	-0.0065	-0.53

Market Update

- U.S. stocks finished lower as a persistent slump in oil prices put pressure on energy shares, while investors were also making guarded moves as the Federal Reserve's two-day Federal Open Market Committee meeting got underway. The S&P 500 index closed down 8.02 points, or 0.3%, at 2,365.45. The Nasdaq Composite Index shed 18.97 points, or 0.3%, to close at 5,856.82.
- Indian market witnessed a solid rally on the first session of the week, with sentiment propped up by the ruling party at the Centre, BJP, registering a spectacular show in recently held assembly elections in five states. Data showing a recovery in industrial production in January also boosted sentiment.

Currency Update

- The U.S. dollar strengthened against its major rivals on Tuesday as investors awaited the conclusion of a two-day Federal Reserve meeting that is widely expected to result in an interest-rate increase. The ICE U.S. Dollar Index was up 0.5% to 101.77. The WSJ Dollar rose 0.2% to 91.94. The euro traded at \$1.0602 from \$1.0653, a move of about 0.5%. Against the yen, the dollar dipped 0.1% to trade at ¥114.77 from ¥114.88. Against the dollar, the pound dropped to \$1.2151 from \$1.2219, a move of about 0.5%.
- The rupee surged by a massive 80 paise to end at a nearly one-and-a-half year high of 65.80 against the US dollar on frantic unwinding of the American currency following BJP's emphatic victory in Uttar Pradesh. The home currency resumed on a strong footing at 66.20 from last Friday's closing value of 66.60 at the Interbank Foreign Exchange (forex) market. Maintaining its bullish momentum against the dollar, the rupee hit a fresh intra-day high of 65.76 in late afternoon deals before ending at 65.80, showing a solid gain of 80 paise, or 1.20%. Meanwhile, the RBI fixed the reference rate for the dollar at 66.1800.

Name of the ETF	Holdings In Tonnes As		%Ch
	14-Mar-17	13-Mar-17	
SPDR Gold ETF	834.99	832.03	0.36
iShares Silver Trust	10303.74	10268.39	0.34

Symbol	14-Mar-17		Ratio
	Close	Close	
Gold v/s Silver	1203	16.923	71.06
Gold v/s Crude Oil	1203	47.72	25.20

Bullion	Closing		% Ch
	14-Mar-17	13-Mar-17	
Gold Apr MCX	28076	28251	-0.62
Gold Apr Comex	1203	1203	-0.04
Silver May MCX	40083	40418	-0.83
Silver May Comex	16.923	16.972	-0.29
Energy			
Crude Oil Mar MCX	3136	3203	-2.09
Crude Apr Nymex	47.72	48.40	-1.40
Natural Gas Mar MCX	194.00	202.00	-3.96
Nat. Gas Apr Henry Hub	2.938	3.043	-3.45

LME Inventories (In Tonnes)

Base Metals	14-Mar-17	13-Mar-17	Change	% Change
Aluminum	2033000	2054425	-21425	-1.04
Copper	332050	331200	850	0.26
Nickel	384522	383910	612	0.16
Lead	191000	190400	600	0.32
Zinc	381650	383250	-1600	-0.42

Base Metals	Closing		% Ch
	14-Mar-17	13-Mar-17	
Aluminium Mar	122.30	123.90	-1.29
Copper Apr	385.50	385.45	0.01
Nickel Mar	672.80	675.40	-0.38
Lead Mar	146.35	150.00	-2.43
Zinc Mar	180.30	181.20	-0.50

ECONOMIC CALENDER

Wednesday Mar 15, 2017

Time	Country	Event	Actual	Forecast	Previous
2:05 AM	U.S.	API Weekly Crude Oil Stock	-0.531M	3.500M	11.600M
10:00 AM	Japan	Industrial Production (MoM) (Jan)	-0.4%	-0.8%	-0.8%
1:15 PM	France	French CPI (MoM) (Feb)		0.1%	0.1%
2:30 PM	U.S.	IEA Monthly Report			
3:00 PM	U.K.	Claimant Count Change (Feb)		-5.0K	-42.4K
3:00 PM	U.K.	Unemployment Rate (Jan)		4.8%	4.8%
3:30 PM	Eurozone	Employment Change (YoY) (Q4)		1.5%	1.2%
3:30 PM	Eurozone	Employment Change (QoQ) (Q4)		0.2%	0.2%
5:00 PM	India	M3 Money Supply			6.5%
6:00 PM	U.S.	Core CPI (YoY) (Feb)		2.2%	2.3%
6:00 PM	U.S.	Core CPI (MoM) (Feb)		0.2%	0.3%
6:00 PM	U.S.	Core Retail Sales (MoM) (Feb)		0.2%	0.8%
6:00 PM	U.S.	CPI (MoM) (Feb)		0.1%	0.6%
6:00 PM	U.S.	CPI (YoY) (Feb)		2.7%	2.5%
6:00 PM	U.S.	Retail Sales (MoM) (Feb)		0.1%	0.4%
6:00 PM	India	Trade Balance		-8.84B	-9.84B
7:30 PM	U.S.	Business Inventories (MoM) (Jan)		0.3%	0.4%
8:00 PM	U.S.	Crude Oil Inventories		3.713M	8.209M
8:00 PM	U.S.	EIA Weekly Distillates Stocks		-1.663M	-2.676M
8:00 PM	U.S.	Gasoline Inventories		-1.950M	-6.555M
11:30 PM	U.S.	FOMC Statement			
11:30 PM	U.S.	Fed Interest Rate Decision		1.00%	0.75%

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