



COMMODITY REPORT

16 May 2017

ECONOMIC/GLOBAL NEWS

- Oil prices settled at a two-week high after energy ministers from Saudi Arabia and Russia released a joint statement backing a nine-month extension of OPEC-led production cuts. On the New York Mercantile Exchange, June West Texas Intermediate crude rallied \$1.01, or 2.11%, to settle at \$48.85 a barrel, the highest settlement since April 28. MCX Crude Oil June expiry closed at Rs. 3149 per barrel, up 1.52%.
- U.S. NAHB/Wells Fargo Housing Market Index rose to 70 in May after pulling back to 68 in April.
- New York Fed said its general business conditions index fell to a negative 1.0 in May from a positive 5.2 in April.
- Greece's gross domestic product shrank 0.1% sequentially in the first quarter, but slower than the 1.2% decline registered a quarter ago. On a yearly basis, GDP fell 0.5% after easing 1.1% in the fourth quarter.
- Switzerland's producer and import prices increased 0.8% year-on-year in April. On a monthly basis, producer and import prices dropped 0.2%.
- Italy's consumer price inflation climbed 1.9% year-over-year in April, slightly faster than the 1.8% increase reported earlier. Month-on-month, consumer prices went up 0.4% from March, when it showed no variations.
- Thailand's gross domestic product grew 3.3% year-on-year in the first quarter, faster than the 3% expansion seen in the final three months of 2016. On a sequential basis, GDP growth improved to 1.3% from 0.5% a quarter ago.
- Members of the Reserve Bank of Australia's Monetary Policy Board said that the country's economic recovery is proceeding at a moderate and acceptable pace, minutes from the bank's May 2 meeting revealed. The economy has been helped along by the depreciating exchange rate, the members said, and they cautioned that a reversal could hamper the recovery. They added that the outlook for the global economy as a whole continues to be positive.
- Japan's tertiary activity index decreased 0.2% month-over-month in March, after remaining flat in February. On a yearly basis, the tertiary activity index rose 0.3% in March, reversing a 1.4% decline in the preceding month.
- South Korea's M2 money supply climbed 6.2% year-over-year in March, faster than the 5.9% rise in February. On a monthly basis, M2 money supply increased 0.8% from February, when it rose by 0.3%.
- Indonesia's exports increased 12.6% year-on-year in April. Likewise, imports climbed 10.31% versus the expected growth of 20.5%. The trade surplus totaled \$1.24 billion, well above the expected surplus was \$946 million.
- India's imports grew 49% in April from a year ago to \$37.8 billion, buoyed by a 211% rise in gold imports. Exports increased 19.7% to \$24.6 billion, widening trade deficit to \$13.2 billion to a 29-month high in April from \$4.8 billion in the year ago period. Gold imports in the month ballooned to \$3.8 billion from \$1.2 billion in the year-ago period.

Name of the ETF	Holdings In Tonnes As		%Ch
	15-May-17	12-May-17	
SPDR Gold ETF	851.89	851.89	0.00
iShares Silver Trust	10605.55	10605.55	0.00

Symbol	15-May-17		Ratio
	Close	Close	
Gold v/s Silver	1230	16.603	74.08
Gold v/s Crude Oil	1230	48.85	25.18

LME Inventories (In Tonnes)				
Base Metals	15-May-17	12-May-17	Change	% Change
Aluminum	1545025	1556150	-11125	-0.71
Copper	325150	329375	-4225	-1.28
Nickel	379638	380610	-972	-0.26
Lead	183150	183150	0	0.00
Zinc	346225	345150	1075	0.31

Index	15-May-17	12-May-17	Pts. Ch.	% Change
Dow	20981.94	20896.61	85.33	0.41
Nifty	9445.40	9400.90	44.50	0.47
Sensex	30322.12	30188.15	133.97	0.44
USD/INR	64.06	64.30	-0.24	-0.37
Dollar Index	98.80	99.13	-0.33	-0.33
Euro/\$1US	1.0975	1.0931	0.0044	0.40
\$1US/Yen	113.78	113.34	0.44	0.39
Pound/\$1US	1.2893	1.2891	0.0002	0.02

Market Update

- The S&P 500 and the Nasdaq Composite closed at fresh records as a jump in oil prices to a two-week high lifted Wall Street sentiment. The S&P 500 index added 11.42 points, or 0.5%, to finish at 2,402.32. The Nasdaq Composite Index gained 28.44 points, or 0.5%, to end at 6,149.67.
- Indian market logged modest gains on first trading session of the week in what was a steady session of trade. Hopes of an interest rate cut by the Reserve Bank of India (RBI) after the latest macro data showed a sharp fall in headline retail inflation boosted sentiment on the domestic bourses.

Currency Update

- The U.S. dollar fell, losing ground against so-called commodity currencies as oil prices leapt on the prospects for an OPEC-led deal for continued production limits. The ICE U.S. Dollar Index fell 0.3% to 98.91. The WSJ Dollar Index fell 0.2% at 89.96. Meanwhile, the euro rose 0.4% to \$1.0979 from \$1.0932. The greenback fell against the pound, with sterling buying \$1.2898, compared with \$1.2887. The dollar fared slightly better against the Japanese yen, trading at ¥113.75 against Friday's ¥113.35.
- Continuing its dominance against the dollar, the rupee shot up by a whopping 24 paise to end at a fresh 21-mth high of 64.06 driven by robust macro data even as exporters aggressively offloaded the American currency. This is the rupee's highest closing since August 10, 2015, when it had ended at 63.87 against the US dollar. The rupee opened extremely bullish at 64.12 as against last weekend level of 64.30 at the Interbank Foreign Exchange market amid smooth supply of the US currency. It strengthened further to hit a fresh intra-day high of 64.03 before ending at 64.06, revealing a rise of 24 paise, or 0.37%. The RBI fixed the reference rate for the dollar at 64.1188.

Bullion	Closing		% Ch
	15-May-17	12-May-17	
Gold Jun MCX	27992	28005	-0.05
Gold Jun Comex	1230	1228	0.19
Silver Jul MCX	38502	38155	0.91
Silver Jul Comex	16.603	16.402	1.23
Energy			
Crude Oil Jun MCX	3183	3102	2.61
Crude Jun Nymex	48.85	47.84	2.11
Natural Gas May MCX	215.00	219.70	-2.14
Nat. Gas Jun Henry Hub	3.349	3.424	-2.19

Base Metals	Closing		% Ch
	15-May-17	12-May-17	
Aluminium May	122.25	121.20	0.87
Copper Jun	361.55	359.80	0.49
Nickel May	587.10	599.20	-2.02
Lead May	136.35	136.30	0.04
Zinc May	164.70	163.60	0.67

ECONOMIC CALENDER

Tuesday May 16, 2017					
Time	Country	Event	Actual	Forecast	Previous
7:00 AM	Australia	RBA Meeting Minutes			
12:15 PM	France	French CPI (MoM) (Apr)		0.1%	0.1%
Tentative	China	FDI			1.00%
2:00 PM	U.K.	Core CPI (YoY) (Apr)		2.2%	1.8%
2:00 PM	U.K.	Core PPI Output (MoM) (Apr)		0.2%	0.3%
2:00 PM	U.K.	Core PPI Output (YoY) (Apr)		2.5%	2.5%
2:00 PM	U.K.	Core RPI (MoM) (Apr)			0.3%
2:00 PM	U.K.	Core RPI (YoY) (Apr)		3.7%	3.4%
2:00 PM	U.K.	CPI (YoY) (Apr)		2.6%	2.3%
2:00 PM	U.K.	CPI (MoM) (Apr)		0.4%	0.4%
2:00 PM	U.K.	House Price Index (YoY)		5.4%	5.8%
2:00 PM	U.K.	PPI Input (MoM) (Apr)		0.1%	0.4%
2:00 PM	U.K.	PPI Input (YoY) (Apr)		17.0%	17.9%
2:00 PM	U.K.	PPI Output (MoM) (Apr)		0.2%	0.4%
2:00 PM	U.K.	PPI Output (YoY) (Apr)		3.4%	3.6%
2:00 PM	U.K.	RPI (YoY) (Apr)		3.4%	3.1%
2:00 PM	U.K.	RPI (MoM) (Apr)		0.5%	0.3%
Tentative	U.S.	IEA Monthly Report			
2:30 PM	Germany	German ZEW Current Conditions (May)		82.0	80.1
2:30 PM	Germany	German ZEW Economic Sentiment (May)		22.0	19.5
2:30 PM	Eurozone	GDP (QoQ) (Q1)		0.5%	0.5%
2:30 PM	Eurozone	GDP (YoY) (Q1)		1.7%	1.7%
2:30 PM	Eurozone	Trade Balance (Mar)		26.5B	17.8B
2:30 PM	Eurozone	ZEW Economic Sentiment		29.1	26.3
6:00 PM	U.S.	Building Permits (MoM) (Apr)		0.2%	3.6%
6:00 PM	U.S.	Building Permits (Apr)		1.270M	1.260M
6:00 PM	U.S.	Housing Starts (MoM) (Apr)		3.7%	-6.8%
6:00 PM	U.S.	Housing Starts (Apr)		1.260M	1.215M
6:45 PM	U.S.	Industrial Production (MoM) (Apr)		0.4%	0.5%
6:45 PM	U.S.	Manufacturing Production (MoM) (Apr)		0.3%	-0.4%
7:00 PM	U.K.	CB Leading Index (MoM)			0.1%

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