



COMMODITY REPORT

16 October 2017

ECONOMIC/GLOBAL NEWS

- Gold futures pushed above the key \$1,300 level, tacking on more than 2% for the week, after a reading on U.S. inflation came in cooler than expected, raising uncertainty about the pace of U.S. interest-rate hikes by the Federal Reserve. December gold climbed by \$8.10, or 0.6%, to settle at \$1,304.60 an ounce. MCX Gold December expiry closed at Rs. 29851 per 10 gram, up 0.12%.
- China consumer prices were up 1.6% on year in September, down from 1.8% in August. On a monthly basis, consumer prices were up 0.5% - accelerating from 0.4% a month prior. The producer prices jumped an annual 6.9% - up from 6.3% in the previous month.
- China attracted 70.63 billion yuan (\$10.71 billion) worth of foreign direct investment in September, up 17.3% from a year earlier. The figure was up from August's CNY62.52 billion, which was 9.1% higher from a year earlier. FDI in the January-September period edged up 1.6% compared with a year ago to CNY618.57 billion.
- U.S. consumer price index climbed by 0.5% in September after rising by 0.4% in August. Core consumer prices inched up by 0.1% in September after edging up by 0.2% in August. Annual rate of growth in consumer prices accelerated to 2.2% in September from 1.9% in August, while the annual growth in core consumer prices held at 1.7%.
- U.S. retail sales surged up by 1.6% in September after edging down by a revised 0.1% in August. Core retail sales still shot up by 1.0% in September after climbing by 0.5% in August.
- U.S. consumer sentiment index jumped to 101.1 in October after dipping to 95.1 in September.
- U.S. business inventories climbed by 0.7% in August after rising by an upwardly revised 0.3% in July.
- U.K. average asking price for a house was up 1.1% on month in October, that follows the 1.2% monthly decline in September. On a yearly basis, house prices climbed 1.4% - accelerating from 1.1% in the previous month.
- Germany's consumer prices advanced 1.8% year-on-year in September, the same rate as seen in August. On a monthly basis, the CPI edged up 0.1% for the second straight month.
- Japan's industrial production rose a seasonally adjusted 2.0% monthly in August instead of a 2.1% climb reported earlier. On a yearly basis, industrial production growth accelerated to 5.3% in August from 4.7% in July.
- Indian exports registered 25.67% growth in dollar terms and 21.35% in rupee terms in September 2017 over the previous year. Import also expanded 18.09% at \$37.6 billion in September against \$31.83 billion in the same period last year. Trade balance remained flat at \$8.98 billion in September against \$9 billion in September 2016.

Index	13-Oct-17	12-Oct-17	Pts. Ch.	% Change
Dow	22871.72	22841.01	30.71	0.13
Nifty	10167.45	10096.40	71.05	0.70
Sensex	32432.69	32182.22	250.47	0.78
USD/INR	64.93	65.08	-0.15	-0.23
Dollar Index	92.94	92.90	0.04	0.04
Euro/\$1US	1.1823	1.1830	-0.0007	-0.06
\$1US/Yen	111.86	112.28	-0.42	-0.37
Pound/\$1US	1.3287	1.3262	0.0025	0.19

Market Update

- U.S. equity benchmarks finished the session and the week slightly higher, and the Nasdaq recorded an all-time high, as President Donald Trump delivered a speech decertifying a nuclear agreement with Iran. The S&P 500 index advanced 2.24 points, or 0.1%, to close at 2,553.17, after hitting an intraday record at 2,557.65. Meanwhile, the Nasdaq Composite Index climbed 14.29 points, or 0.2%, to 6,605.80.
- Indian market ended on a strong note for the second straight day as key benchmark indices surged as investors risk appetite improved on rise in industrial production in August with steady inflation providing elbow room for the central bank to reduce interest rates to boost economic activity.

Currency Update

- The U.S. dollar reversed earlier losses as broad financial market stability followed President Trump's updated Iran policy. The ICE U.S. Dollar Index was little changed at 93.092. A broader buck indicator, the WSJ Dollar Index fell 0.2% to 86.28. The pound traded at \$1.3292, compared with \$1.3262. Sterling had climbed to an intraday high of \$1.3324. The euro slipped to \$1.1819, little changed from \$1.1832. Against the yen the dollar fell to ¥111.88, marking its lowest level since Sept. 26, pulling back from ¥112.29.
- The rupee continued its stellar run against the US dollar for the fifth day, surging by 15 paise to end at a fresh three-week high of 64.93 on easing macro worries coupled with record-setting domestic equities. After a spectacular start at 64.95 against yesterday's close of 65.08, the rupee maintained its overall strength as trading progressed at the Interbank Foreign Exchange (forex) market on heavy dollar unwinding. It kept the momentum going to hit a fresh intra-day high of 64.87, but came off from day's high against the dollar in afternoon trading, as importers stepped up greenback purchases. The local unit finally settled at 64.93, showing a smart gain of 15 paise, or 0.23%. The RBI fixed the reference rate for the dollar at 64.9301 and for the euro at 76.8772.

Name of the ETF	Holdings In Tonnes As		%Ch
	13-Oct-17	12-Oct-17	
SPDR Gold ETF	853.13	858.45	-0.62
iShares Silver Trust	10132.44	10132.44	0.00

Symbol	13-Oct-17		Ratio
	Close	Close	
Gold v/s Silver	1305	17.411	74.93
Gold v/s Crude Oil	1305	51.45	25.36

Bullion	Closing		% Ch
	13-Oct-17	12-Oct-17	
Gold Dec MCX	29851	29814	0.12
Gold Dec Comex	1305	1297	0.62
Silver Dec MCX	40399	40352	0.12
Silver Dec Comex	17.411	17.266	0.84
Energy			
Crude Oil Nov MCX	3338	3327	0.33
Crude Nov Nymex	51.45	50.60	1.68
Natural Gas Oct MCX	195.20	195.70	-0.26
Nat. Gas Nov Henry Hub	3.000	2.989	0.37

LME Inventories (In Tonnes)

Base Metals	13-Oct-17	12-Oct-17	Change	% Change
Aluminum	1229750	1230750	-1000	-0.08
Copper	283800	285900	-2100	-0.73
Nickel	385572	385830	-258	-0.07
Lead	152075	152625	-550	-0.36
Zinc	270925	266725	4200	1.57

Base Metals	Closing		% Ch
	13-Oct-17	12-Oct-17	
Aluminium Oct	137.50	138.80	-0.94
Copper Nov	447.95	449.50	-0.34
Nickel Oct	756.20	740.30	2.15
Lead Oct	163.80	166.70	-1.74
Zinc Oct	212.15	215.25	-1.44

ECONOMIC CALENDER

Monday October 16 2017

Time	Country	Event	Actual	Forecast	Previous
4:31 AM	U.K.	Rightmove House Price Index (MoM)	1.1%		-1.2%
7:00 AM	China	CPI (MoM) (Sep)	0.5%	0.4%	0.4%
7:00 AM	China	CPI (YoY) (Sep)	1.6%	1.6%	1.8%
7:00 AM	China	PPI (YoY) (Sep)	6.9%	6.3%	6.3%
10:00 AM	Japan	Industrial Production (MoM) (Aug)	2.0%	2.1%	2.1%
11:30 AM	Germany	German WPI (YoY) (Sep)			3.2%
11:30 AM	Germany	German WPI (MoM) (Sep)		0.4%	0.3%
12:00 PM	India	WPI Food (YoY) (Sep)			5.75%
12:00 PM	India	WPI Fuel (YoY) (Sep)			9.99%
12:00 PM	India	WPI Inflation (YoY) (Sep)		3.41%	3.24%
12:00 PM	India	WPI Manufacturing Inflation (YoY) (Sep)			2.45%
2:30 PM	Eurozone	Trade Balance (Aug)		23.3B	23.2B
Tentative	U.S.	Federal Budget Balance (Sep)		6.0B	-108.0B

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