



COMMODITY REPORT

17 January 2018

ECONOMIC/GLOBAL NEWS

- Oil prices finished lower, pulling back from three-year highs as traders awaited data due later this week on U.S. crude supplies and production. February West Texas Intermediate crude fell 57 cents, or 0.9%, to settle at \$63.73 a barrel On the New York Mercantile Exchange. MCX Crude Oil February expiry closed at Rs. 4090 per barrel, down 0.70%.
- China's foreign direct investment in December fell 9.2% year-on-year to 73.94 billion yuan (\$11.49 billion), for 2017, FDI rose 7.9% to 877.56 billion yuan.
- U.K. inflation eased to 3% in December from 3.1% in November. Month-on-month, consumer prices advanced 0.4%, as expected, in December. Core inflation slowed to 2.5% in December from 2.7% in November.
- U.K. output price inflation accelerated to 3.3% in December from 3.1% in November. Month-on-month, output prices climbed 0.4%, the same rate as seen in November. Meanwhile, input price inflation eased sharply to 4.9% in December from 7.3% in November. On a monthly basis, input prices edged up 0.1%, much slower than November's 1.6% increase.
- U.K. retail price index increased by 4.1% on an annualized basis in December, compared to previous month's 3.9% rise. Month-on-month, RPI increased by 0.8% in December, higher than the 0.2% rise seen a month earlier. Core RPI increased at an annualized rate of 4.2% in last month, higher than the 4.0% rise registered a month earlier. Month-on-month, core RPI rose by 0.8% in December, compared to the 0.1% increase seen the previous month.
- U.K. house price index climbed 5.1% year-over-year in November, slower than the 5.4% rise in October, which was revised up from a 4.5% increase reported earlier.
- Germany's consumer price inflation climbed to 1.8% in 2017 from 0.5% a year ago. Month-on-month, inflation doubled to 0.6%.
- Germany's wholesale price inflation logged an annual growth of 3.5%, the wholesale price index advanced 1.8% year-on-year in December, but slower than November's 3.3% increase. On a monthly basis, wholesale prices fell 0.3% in December, in contrast to November's 0.5% increase.
- Italy's trade surplus totaled EUR 4.83 billion versus EUR 4.98 billion in October. The annual growth in exports slowed to 9.7% from 11.5% in October. Likewise, imports grew at a slower pace of 8.4% after climbing 10.5%.
- Japan's core machine orders surged a seasonally adjusted 5.7% on month in November - coming in at 899.2 billion yen, following the 5.0% jump in October. On a yearly basis, core machine orders perked 4.1% - following the 2.3% gain in the previous month.
- India's exports rose 12.36% to \$27.03 billion in December while imports too surged significantly to \$41.91 billion, up 21.12%. The trade deficit came at .88 billion, up about 41% year-on-year.

Index	16-Jan-18	15-Jan-18	Pts. Ch.	% Change
Dow	25792.86	CLOSED	-	-
Nifty	10700.45	10741.55	-41.10	-0.38
Sensex	34771.05	34843.51	-72.46	-0.21
USD/INR	64.03	63.49	0.55	0.86
Dollar Index	90.23	90.73	-0.50	-0.55
Euro/\$1US	1.2271	1.2263	0.0008	0.07
\$1US/Yen	110.40	110.54	-0.14	-0.13
Pound/\$1US	1.3798	1.3792	0.0006	0.04

Market Update

- The Dow Jones Industrial Average closed marginally lower after the blue-chip index relinquished all its early gains in the sharpest daily reversal in nearly two years, according to FactSet. The S&P 500 closed down 9.82 points, or 0.4%, to 2,776. The Nasdaq Composite declined 37.38 points, or 0.5%, to 7,223.69.
- Indian market settled with small losses after witnessing intraday volatility. Profit booking was witnessed on the bourses after indices scaled record highs yesterday, 15 January 2018. Key indices snapped three-day winning streak today, 16 January 2018.

Currency Update

- After the dollar attempted to break a four-session losing run early, analysts who called it nothing but a pause from the selloff were vindicated when the buck pared its gains in the early New York afternoon. The ICE U.S. Dollar Index leaving the index little changed from Monday, when it hit a three-year low, but in negative territory, at 90.44. The broader WSJ U.S. Dollar Index was also little changed from the previous session at 84.42. The euro reclaimed some of its lost ground at \$1.2263, little changed. The pound moved back to the prior day's closing level as well, at \$1.3794, unchanged. Against the Japanese yen, the greenback reversed its uptick to ¥110.48, down from ¥110.53.
- The Indian rupee weakened 0.9%, its steepest fall in eight months, against the US dollar after the country's trade deficit widened to a three-year high on higher oil and gold imports. The home currency ended at 64.03 a dollar, down 0.86%, its biggest fall since 18 May 2017, from its Monday's close of 63.49. The rupee opened at 63.63 a dollar and touched a low of 64.11, a level last seen on 28 December 2017.

Name of the ETF	Holdings In Tonnes As		%Ch
	16-Jan-18	12-Jan-18	
SPDR Gold ETF	828.96	828.96	0.00
iShares Silver Trust	9839.55	9839.55	0.00

Symbol	16-Jan-18		Ratio
	Close	Close	
Gold v/s Silver	1337	17.189	77.79
Gold v/s Crude Oil	1337	63.73	20.98

Bullion	Closing		% Ch
	16-Jan-18	15-Jan-18	
Gold Feb MCX	29822	29752	0.24
Gold Feb Comex	1337	CLOSED	-
Silver Mar MCX	39420	39570	-0.38
Silver Mar Comex	17.189	CLOSED	-
Energy			
Crude Oil Feb MCX	4090	4119	-0.70
Crude Feb Nymex	63.73	CLOSED	-
Natural Gas Jan MCX	199.50	199.60	-0.05
Nat. Gas Feb Henry Hub	3.129	CLOSED	-

LME Inventories (In Tonnes)

Base Metals	16-Jan-18	15-Jan-18	Change	% Change
Aluminum	1083800	1084450	-650	-0.06
Copper	204650	202850	1800	0.89
Nickel	364218	364248	-30	-0.01
Lead	140600	141050	-450	-0.32
Zinc	180125	180150	-25	-0.01

Base Metals	Closing		% Ch
	16-Jan-18	15-Jan-18	
Aluminium Jan	140.35	141.10	-0.53
Copper Feb	456.50	458.80	-0.50
Nickel Jan	802.60	817.80	-1.86
Lead Jan	164.00	164.35	-0.21
Zinc Jan	219.90	219.85	0.02

ECONOMIC CALENDER

Wednesday January 17 2018

Time	Country	Event	Actual	Forecast	Previous
5:20 AM	Japan	Core Machinery Orders (YoY) (Nov)	4.1%	-0.7%	2.3%
5:20 AM	Japan	Core Machinery Orders (MoM) (Nov)	5.7%	-1.4%	5.0%
12:30 PM	Germany	German WPI (YoY) (Dec)		3.4%	3.3%
12:30 PM	Germany	German WPI (MoM) (Dec)			0.5%
3:30 PM	Eurozone	Core CPI (MoM) (Dec)			-0.1%
3:30 PM	Eurozone	Core CPI (YoY) (Dec)		0.9%	0.9%
3:30 PM	Eurozone	CPI (YoY) (Dec)		1.4%	1.4%
3:30 PM	Eurozone	CPI (MoM) (Dec)		0.4%	0.1%
5:00 PM	India	M3 Money Supply			10.5%
7:45 PM	U.S.	Industrial Production (MoM) (Dec)		0.3%	0.2%
7:45 PM	U.S.	Manufacturing Production (MoM) (Dec)		0.3%	0.2%

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