



COMMODITY REPORT

17 March 2017

ECONOMIC/GLOBAL NEWS

- Metals jumped across the board, with gold prices notching their highest finish in two weeks, on the heels of the dollar's decline, which came after the U.S. Federal Reserve raised interest rates, but struck a less hawkish tone than expected. April gold rallied \$26.40, or 2.2%, to settle at \$1,227.10 an ounce, with prices ending at their highest level since March 2. Silver jumped 40.7 cents, or 2.41%, to finish at \$17.33 an ounce. MCX Gold April expiry closed at Rs. 28411 per 10 gram, up 1.52% while Silver May expiry closed at Rs. 40598 per kg, up 1.38%.
- U.S. initial jobless claims edged down to 241,000 in the week ended March 11th, a decrease of 2,000 from the previous week's unrevised level of 243,000. Continuing claims fell by 30,000 to 2.030 million in the week ended March 4th.
- U.S. housing starts jumped by 3.0% to an annual rate of 1.288 million in February after slumping by 1.9% to a revised 1.251 million in January. Building permits tumbled by 6.2% to an annual rate of 1.213 million in February after surging up by 5.3% to a revised 1.293 million in January.
- The U.S. Energy Information Administration showed that domestic supplies of natural gas fell by 53 billion cubic feet for the week ended March 10. Total stocks now stand at 2.242 trillion cubic feet, down 236 billion cubic feet from a year ago, but 395 billion cubic feet above the five-year average, the government said.
- Policymakers of the Bank of England decided to maintain its record low interest rate, in a split vote, as one policymaker preferred a quarter point hike. The Monetary Policy Committee of the BoE, governed by Mark Carney, voted 8-1 to hold the key bank rate at 0.25%. The Committee voted unanimously to maintain the stock of UK government bond purchases, financed by the issuance of central bank reserves, at GBP 435 billion.
- Eurozone inflation accelerated to 2% in February from 1.8% in January. Month-on-month, consumer prices gained 0.4% in February. Annual core inflation held steady at 0.9% in February and monthly core inflation rose 0.4%.

Index	16-Mar-17	15-Mar-17	Pts. Ch.	% Change
Dow	20934.55	20950.10	-15.55	-0.07
Nifty	9153.70	9084.80	68.90	0.76
Sensex	29585.85	29398.11	187.74	0.64
USD/INR	65.41	65.70	-0.29	-0.44
Dollar Index	100.19	100.58	-0.39	-0.39
Euro/\$1US	1.0766	1.0735	0.0031	0.29
\$1US/Yen	113.31	113.38	-0.07	-0.06
Pound/\$1US	1.2360	1.2292	0.0068	0.55

Market Update

- U.S. stocks retreated to close lower, giving back some of the previous day's Federal Reserve-inspired gains as a fall for health-care and utilities stocks pushed the market into negative territory. The S&P 500 index finished down 3.88 points, or 0.2%, at 2,381.38. The Nasdaq Composite Index finished up 0.71 points at 5,900.76.
- Indian market logged modest gains as global stocks rose after the US Federal Reserve raised interest rates without accelerating its timeline for future tightening.

Currency Update

- The U.S. dollar fell for a second straight day as investors digested recent commentary from the Federal Reserve that indicated a less hawkish stance than had previously been suspected. The ICE Dollar Index fell 0.1% to 100.40. The WSJ Dollar Index fell 0.2% to 90.65. The pound was trading at \$1.2354 compared with \$1.2300, a move of about 0.4%. The euro traded at \$1.0764 from \$1.0732, a move of 0.3%. Against the yen the dollar bought ¥113.33 compared with ¥113.37.
- The rupee continued its dream run for the fourth straight session by rising 28 paise to a fresh 16-month high of 65.41 a dollar on frantic selling of the US currency by exporters and banks amid dovish outlook by Fed on future rate hikes. The rupee resumed firmly higher at 65.40 against the Wednesday's close of 65.69 at the Interbank Foreign Exchange (FOREX) market. It gained further ground to hit an intra-day high of 65.21 on the back of heavy dollar unwinding by speculative traders. After giving back some initial strong gains, the domestic unit finally ended at 65.41, revealing a good gain of 28 paise, or 0.43%. This is the highest closing since October 30, 2015 when it had closed at 65.27. The RBI, meanwhile fixed the reference rate for the dollar at 65.3836.

Name of the ETF	Holdings In Tonnes As		%Ch
	16-Mar-17	15-Mar-17	
SPDR Gold ETF	837.06	839.43	-0.28
iShares Silver Trust	10303.74	10303.74	0.00

Symbol	16-Mar-17		Ratio
	Close	Close	
Gold v/s Silver	1227	17.330	70.81
Gold v/s Crude Oil	1227	48.75	25.17

Bullion	Closing		% Ch
	16-Mar-17	15-Mar-17	
Gold Apr MCX	28411	27985	1.52
Gold Apr Comex	1227	1201	2.20
Silver May MCX	40598	40045	1.38
Silver May Comex	17.330	16.923	2.41
Energy			
Crude Oil Apr MCX	3242	3231	0.34
Crude Apr Nymex	48.75	48.86	-0.23
Natural Gas Mar MCX	192.00	195.40	-1.74
Nat. Gas Apr Henry Hub	2.902	2.981	-2.65

LME Inventories (In Tonnes)

Base Metals	16-Mar-17	15-Mar-17	Change	% Change
Aluminum	2007850	2019325	-11475	-0.57
Copper	339025	340525	-1500	-0.44
Nickel	384924	386400	-1476	-0.38
Lead	190425	190550	-125	-0.07
Zinc	377725	379275	-1550	-0.41

Base Metals	Closing		% Ch
	16-Mar-17	15-Mar-17	
Aluminium Mar	123.85	123.30	0.45
Copper Apr	387.75	386.80	0.25
Nickel Mar	666.70	671.50	-0.71
Lead Mar	146.55	147.35	-0.54
Zinc Mar	184.35	183.70	0.35

ECONOMIC CALENDER

Time	Country	Friday Mar 17, 2017			
		Event	Actual	Forecast	Previous
3:30 PM	Eurozone	Trade Balance (Jan)			28.1B
5:00 PM	India	Bank Loan Growth			4.8%
5:00 PM	India	Deposit Growth			12.8%
5:00 PM	India	FX Reserves, USD			364.01B
6:45 PM	U.S.	Industrial Production (MoM) (Feb)		0.2%	-0.3%
6:45 PM	U.S.	Manufacturing Production (MoM) (Feb)		0.4%	0.2%
7:30 PM	U.S.	CB Leading Index (MoM) (Feb)		0.4%	0.6%
7:30 PM	U.S.	Michigan Consumer Sentiment (Mar)		97.0	95.7

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