



COMMODITY REPORT

17 May 2017

ECONOMIC/GLOBAL NEWS

- Natural gas futures were under pressure for the second day in a row on Tuesday, falling close to a one-week low after the latest U.S. weather model called for mild temperatures over the next two weeks, which should reduce demand during that time. June natural gas ended at \$3.23 per million British thermal units, down 3.55%. MCX Natural Gas May expiry closed at Rs. 206.30 per British thermal unit, down 4.05%.
- U.S. industrial production jumped by 1.0% in April after climbing by a downwardly revised 0.4% in March. Manufacturing output surged up by 1.0% in April after falling by 0.4% in March.
- U.S. housing starts fell by 2.6% to an annual rate of 1.172 million in April after tumbling by 6.6% to a revised 1.203 million in March. Building permits slid by 2.5% to a rate of 1.229 million in April from 1.260 million in March.
- The American Petroleum Institute reported a climb of 882,000 barrels in U.S. crude supplies for the week ended May 12. The API data showed a fall of 1.8 million barrels in gasoline supplies, but inventories of distillates were up 1.8 million barrel.
- U.K. inflation rose more-than-expected to 2.7% in April from 2.3% in March. On a monthly basis, consumer prices gained 0.5%. Core inflation accelerated to 2.4% from 1.8%.
- U.K. factory gate prices have grown for 15 consecutive months to April 2017, month-on-month, output price inflation held steady at 0.4%. Likewise, the annual growth in factory gate prices remained at 3.6% in April. Input price inflation moderated to 16.6% from 17.4% in March. On a monthly basis, input prices edged up 0.1% after staying flat in March.
- U.K. retail price index increased 3.5% in April, after rising by 3.1% the previous month. Month-on-month, RPI increased by 0.5% in April, compared to a 0.3% advance in the prior month. Core RPI increased at an annualized rate of 3.8% in April, after rising by 3.4% the previous month. Month-on-month, core RPI increased 0.5% last month, compared to March's 0.3% rise.
- U.K. house price inflation rose 4.1% in April, following a 5.6% increase a month earlier. March's data was revised from an initial 5.8% rise.
- Eurozone gross domestic product climbed 0.5% sequentially, the same pace of growth as seen in the fourth quarter. On a yearly basis, GDP growth slowed slightly to 1.7% from 1.8% in the fourth quarter. The annual rate also matched initial estimate.
- Eurozone seasonally adjusted trade surplus rose to a 3-month high of EUR 23.1 billion in March from EUR 18.8 billion in February. Exports rose 1.4% month-over-month in March, while imports dropped by 1.1%. On a non-seasonally adjusted basis, the euro area trade surplus climbed to EUR 30.9 billion from EUR 28.2 billion in the corresponding month last year. Both exports and imports surged by 13.0% and 14.0%, respectively.
- Eurozone ZEW economic sentiment jumped to 35.1 in May from 26.3 a month earlier.
- German ZEW economic sentiment rose to 20.6 in May from April's reading of 19.5. The Current Conditions Index however increased to 83.9 this month from 80.1 in April.
- French consumer price index climbed 1.2% year-over-year in April, just above the 1.1% rise in March. That was in line with the flash data published on April 28. On a monthly basis, consumer prices edged up 0.1% in April, following a 0.6% gain in March.
- Japan's industrial production fell 1.9% month-over-month in March instead of a 2.1% decrease reported earlier. In February, production had risen 3.2%. On a yearly basis, industrial production growth eased to 3.5% in March from 4.7% in February.
- Japan's core machine orders in advanced a seasonally adjusted 1.4% on month in March - standing at 862.3 billion yen, following the 1.5% gain in February. On a yearly basis, core machine orders fell 0.7%, following the 5.6% spike in the previous month.

Index	16-May-17	15-May-17	Pts. Ch.	% Change
Dow	20979.75	20981.94	-2.19	-0.01
Nifty	9512.25	9445.40	66.85	0.71
Sensex	30582.60	30322.12	260.48	0.86
USD/INR	64.09	64.06	0.02	0.04
Dollar Index	98.00	98.80	-0.80	-0.81
Euro/\$1US	1.1082	1.0975	0.0107	0.97
\$1US/Yen	113.12	113.78	-0.66	-0.58
Pound/\$1US	1.2917	1.2893	0.0024	0.19

Market Update

- The tech-heavy Nasdaq closed at a record for a second session in a row as the Dow industrials and S&P 500 finished fractionally lower amid political uncertainty in the U.S. The S&P 500 index declined 1.65 points, or less than 0.1%, to finish at 2,400.67. Meanwhile, the Nasdaq Composite Index rose 20.20 points, or 0.3%, to end at a record 6,169.87, after touching an intraday record of 6,170.16.
- Indian market logged impressive gains in a steady session of trade on sustained buying demand for index pivotals. Both the Sensex and the Nifty hit record high levels in late trade.

Currency Update

- The dollar slumped against major rivals, as investors dumped the greenback after reports President Donald Trump shared classified information with top Russian officials at a meeting last week. The ICE Dollar Index fell 0.8% to 98.109. Against the yen the dollar fell to ¥113.01, from ¥113.79. The euro jumped 1.1% to \$1.1096, up from \$1.0975. The pound erased an earlier gain after U.K. inflation data showed consumer prices rose 2.7% in April, more than the 2.5% expected. Sterling bought \$1.2927, compared with \$1.2895.
- Catching its breath after a spectacular three-day rally, the rupee surrendered some gains against the US currency and settled lower by 2 paise at 64.09 on fresh bouts of dollar demand. The rupee opened almost flat at 64.06 from overnight closing value of 64.06 at the Interbank Foreign Exchange market. It hovered in a tight range of 64.02 and 64.16 most part of the day before ending at 64.09, showing a small loss of 2 paise, or 0.04%. The RBI fixed the reference rate for the dollar at 64.0758.

Name of the ETF	Holdings In Tonnes As		%Ch
	16-May-17	15-May-17	
SPDR Gold ETF	851.89	851.89	0.00
iShares Silver Trust	10649.70	10605.55	0.42

Symbol	16-May-17		Ratio
	Close	Close	
Gold v/s Silver	1235	16.747	73.74
Gold v/s Crude Oil	1235	48.66	25.38

Bullion	Closing		% Ch
	16-May-17	15-May-17	
Gold Jun MCX	28094	27992	0.36
Gold Jun Comex	1235	1230	0.41
Silver Jul MCX	38744	38502	0.63
Silver Jul Comex	16.747	16.603	0.87
Energy			
Crude Oil Jun MCX	3158	3183	-0.79
Crude Jun Nymex	48.66	48.85	-0.39
Natural Gas May MCX	206.30	215.00	-4.05
Nat. Gas Jun Henry Hub	3.230	3.349	-3.55

LME Inventories (In Tonnes)

Base Metals	16-May-17	15-May-17	Change	% Change
Aluminum	1536275	1545025	-8750	-0.57
Copper	322500	325150	-2650	-0.82
Nickel	380250	379638	612	0.16
Lead	183250	183150	100	0.05
Zinc	349300	346225	3075	0.89

Base Metals	Closing		% Ch
	16-May-17	15-May-17	
Aluminium May	123.45	122.25	0.98
Copper Jun	362.45	361.55	0.25
Nickel May	585.60	587.10	-0.26
Lead May	133.45	136.35	-2.13
Zinc May	163.05	164.70	-1.00

ECONOMIC CALENDER

Wednesday May 17, 2017

Time	Country	Event	Actual	Forecast	Previous
2:05 AM	U.S.	API Weekly Crude Oil Stock	0.882M	-2.300M	-5.789M
5:20 AM	Japan	Core Machinery Orders (YoY) (Mar)	-0.7%	0.6%	5.6%
5:20 AM	Japan	Core Machinery Orders (MoM) (Mar)	1.4%	2.1%	1.5%
10:00 AM	Japan	Industrial Production (MoM) (Mar)	-1.9%	-2.1%	-2.1%
Tentative	China	FDI			1.00%
2:00 PM	U.K.	Claimant Count Change (Apr)		7.5K	25.5K
2:00 PM	U.K.	Unemployment Rate (Mar)		4.7%	4.7%
2:30 PM	Eurozone	Core CPI (YoY) (Apr)		1.2%	0.7%
2:30 PM	Eurozone	Core CPI (MoM) (Apr)			1.4%
2:30 PM	Eurozone	CPI (MoM) (Apr)		0.4%	0.8%
2:30 PM	Eurozone	CPI (YoY) (Apr)		1.9%	1.9%
8:00 PM	U.S.	Crude Oil Inventories		-2.360M	-5.247M
8:00 PM	U.S.	EIA Weekly Distillates Stocks		-1.050M	-1.587M
8:00 PM	U.S.	Gasoline Inventories		-0.731M	-0.150M

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