



COMMODITY REPORT

17 August 2017

ECONOMIC/GLOBAL NEWS

- Oil settled lower after the Energy Information Administration report revealed a weekly climb in domestic production to the highest level in over two years. September West Texas Intermediate crude shed 77 cents, or 1.62%, to settle at \$46.78 a barrel on the New York Mercantile Exchange. The U.S. Energy Information Administration Wednesday showed that domestic crude supplies fell by 8.9 million barrels for the week ended Aug. 11. Gasoline stockpiles were unchanged for the week, while distillate stockpiles climbed by 700,000 barrels last week, according to the EIA. MCX Crude Oil September expiry closed at Rs. 3032 per barrel, down 2%.
- The Federal Reserve remains on track to unwind its \$4.5 trillion balance sheet at an "upcoming" meeting, according to the minutes of the central bank's July monetary policy decision. Policy makers also expect to raise their benchmark lending rate by a quarter percentage point one more time this year despite ongoing concerns about stubbornly tame inflation.
- U.S. housing starts fell 4.8% from the previous month, dropping to an annual rate of 1.155 million units in July. Building permits also fell during the month. The figure dropped by 4.1% compared to the previous month, slipping to a rate of 1.223 million units in July.
- U.K. unemployment rate fell to 4.4% in the second quarter from 4.9% a year ago. In July, the claimant count held steady at 2.3%. The number of people claiming unemployment benefits decreased by 4,200 from June.
- Eurozone gross domestic product grew 0.6% quarter-on-quarter in the second quarter, slightly faster than the 0.5% increase seen in the first quarter. On a yearly basis, GDP growth was revised up slightly to 2.2% from 2.1%.
- Australia's jobless rate came in at a seasonally adjusted 5.6% in July, from the June reading. The Australian economy added 27,900 jobs to 12,201,400 in July - following the addition of 14,000 jobs in the previous month.
- Japan posted a merchandise trade surplus of 418.8 billion yen in July - down 17.0% on year, down from 439.8 billion yen in June. Exports climbed 13.4% on year to 6.494 trillion yen, up from 9.7% in the previous month. Imports picked up an annual 16.3% to 6.076 trillion yen, up from 15.5 a month earlier. The adjusted trade surplus was 337.4 billion yen, exceeding expectations for 195.3 billion yen and up from 87.3 billion yen in June.

Index	16-Aug-17	15-Aug-17	Pts. Ch.	% Change
Dow	22024.87	21998.99	25.88	0.12
Nifty	9897.30	CLOSED	-	-
Sensex	31770.89	CLOSED	-	-
USD/INR	64.15	CLOSED	-	-
Dollar Index	93.41	93.76	-0.35	-0.37
Euro/\$1US	1.1774	1.1735	0.0039	0.33
\$1US/Yen	110.00	110.67	-0.67	-0.61
Pound/\$1US	1.2891	1.2870	0.0021	0.16

Market Update

- U.S. stocks closed moderately higher, restoring the Dow above the psychologically-important 22,000 mark, after Federal Reserve minutes suggested that the central bank is wrestling with sluggish inflation but eager to commence an unwind of its \$4.5 trillion asset portfolio. The S&P 500 rose 3.5 points, or 0.1%, to close at 2,468.11. The Nasdaq Composite Index rose 12.10 points, or 0.2%, to close at 6,345.11.
- Indian market jumped backed by strong gains in metals and FMCG shares as firmness in European stocks boosted sentiment in the latter part of the session. Key indices gained for the second day in a row today, 16 August 2017.

Currency Update

- The U.S. dollar weakened afternoon, erasing earlier gains, as traders reacted to the one-two punch of the dissolution of a pair of business advisory groups to the White House, and a dovish read of minute from the Federal Reserve's July meeting. The dollar gauge is down 0.3% at 93.5170, compared to 93.9590 earlier on Wednesday. Against the yen, the dollar weakened to ¥110.16, compared with an intraday high of ¥110.94, and ¥110.68. The euro rose against greenback, changing hands at \$1.1769, compared with \$1.1708 earlier and \$1.1736. Meanwhile, the pound strengthened to \$1.2881. The pound was trading at \$1.2854.
- The rupee staged an impressive comeback after plunging to a fresh three-week low and ended with a modest loss of 4 paise at 64.15 a dollar today even as local equities put up a strong performance. The home currency tumbled to as low as 64.33 in early trade -- the level which was last seen on July 26. At the Interbank Foreign Exchange market, the rupee opened sharply lower at 64.28 as compared to Monday's level of 64.12 per dollar. It later touched a low of 64.33 in mid-morning deals due to heavy dollar pressure but managed to recoup most of its early losses to end at 64.15, showing a small loss of 4 paise or, 0.05%. The RBI fixed the reference rate for the dollar at 64.2428 and for the euro at 75.3761.

Name of the ETF	Holdings In Tonnes As		%Ch
	16-Aug-17	15-Aug-17	
SPDR Gold ETF	795.44	791.01	0.56
iShares Silver Trust	10445.33	10445.33	0.00

Symbol	16-Aug-17		Ratio
	Close	Close	
Gold v/s Silver	1283	16.940	75.73
Gold v/s Crude Oil	1283	46.78	27.42

Bullion	Closing		% Ch
	16-Aug-17	15-Aug-17	
Gold Oct MCX	28952	CLOSED	-
Gold Dec Comex	1283	1280	0.25
Silver Sep MCX	38863	CLOSED	-
Silver Sep Comex	16.940	16.714	1.35
Energy			
Crude Oil Sep MCX	3032	CLOSED	-
Crude Sep Nymex	46.78	47.55	-1.62
Natural Gas Aug MCX	186.20	CLOSED	-
Nat. Gas Sep Henry Hub	2.890	2.935	-1.53

LME Inventories (In Tonnes)

Base Metals	16-Aug-17	15-Aug-17	Change	% Change
Aluminum	1286350	1288925	-2575	-0.20
Copper	279000	280975	-1975	-0.70
Nickel	385560	384258	1302	0.34
Lead	149225	149225	0	0.00
Zinc	250700	252900	-2200	-0.87

Base Metals	Closing		% Ch
	16-Aug-17	15-Aug-17	
Aluminium Aug	133.15	CLOSED	-
Copper Aug	419.00	CLOSED	-
Nickel Aug	686.10	CLOSED	-
Lead Aug	160.10	CLOSED	-
Zinc Aug	199.70	CLOSED	-

ECONOMIC CALENDER

Thursday August 17 2017

Time	Country	Event	Actual	Forecast	Previous
5:20 AM	Japan	Adjusted Trade Balance	0.34T	0.19T	0.08T
5:20 AM	Japan	Exports (YoY) (Jul)	13.4%	13.6%	9.7%
5:20 AM	Japan	Imports (YoY) (Jul)	16.3%	17.0%	15.5%
5:20 AM	Japan	Trade Balance (Jul)	419B	392B	440B
7:00 AM	Australia	Employment Change (Jul)	27.9K	20.0K	14.0K
7:00 AM	Australia	Unemployment Rate (Jul)	5.6%	5.6%	5.6%
11:00 AM	France	French Unemployment Rate (Q2)			9.6%
11:30 AM	Germany	German WPI (MoM) (Jul)			2.5%
11:30 AM	Germany	German WPI (YoY) (Jul)			2.5%
2:00 PM	U.K.	Core Retail Sales (YoY) (Jul)		1.3%	3.0%
2:00 PM	U.K.	Core Retail Sales (MoM) (Jul)		0.2%	0.9%
2:00 PM	U.K.	Retail Sales (YoY) (Jul)		1.4%	2.9%
2:00 PM	U.K.	Retail Sales (MoM) (Jul)		0.2%	0.6%
2:30 PM	Eurozone	Core CPI (YoY) (Jul)		1.2%	1.1%
2:30 PM	Eurozone	Core CPI (MoM) (Jul)			0.2%
2:30 PM	Eurozone	CPI (MoM) (Jul)		-0.5%	0.0%
2:30 PM	Eurozone	CPI (YoY) (Jul)		1.3%	1.3%
2:30 PM	Eurozone	Trade Balance (Jun)		22.9B	21.4B
6:00 PM	U.S.	Continuing Jobless Claims		1,953K	1,951K
6:00 PM	U.S.	Initial Jobless Claims		240K	244K
6:45 PM	U.S.	Industrial Production (MoM) (Jul)		0.3%	0.4%
6:45 PM	U.S.	Manufacturing Production (MoM) (Jul)		0.2%	0.2%
8:00 PM	U.S.	Natural Gas Storage		47B	28B

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