



COMMODITY REPORT

17 October 2017

ECONOMIC/GLOBAL NEWS

- Oil prices settle at nearly three-week high, as increased tensions in the Middle East raised concerns over global crude supplies. November West Texas Intermediate crude climbed by 42 cents, or 0.82%, to settle at \$51.87 a barrel on the New York Mercantile Exchange. MCX Crude Oil November expiry closed at Rs. 3390 per barrel, up 1.56%.
- Eurozone trade surplus rose to a seasonally adjusted EUR 21.6 billion in August from EUR 17.9 billion in July. Exports increased 2.5% from previous month, while imports gained only 0.4%. On an unadjusted basis, the trade balance showed a surplus of EUR 16.1 billion compared to a EUR 17.5 billion surplus in the previous year.
- Germany's wholesale price inflation advanced 3.4% year-on-year in September, following a 3.2% rise in August. Month-on-month, wholesale price inflation doubled to 0.6% from 0.3% in August.
- Members of the Reserve Bank of Australia said that the country's economy was growing in line with expectations, minutes from the bank's October 3 meeting revealed. Price pressure remained broadly subdued, the minutes said, thanks in part to a strengthening Australian dollar and a softening greenback. At the meeting, the bank kept its benchmark lending rate unchanged at the record low 1.50%. The interest rate has been at this level since September 2016. The bank had reduced the rate by 25-basis points each in August and May last year.
- Malaysia's unemployment rate decreased 3.4% in August from 3.5% in the previous month. The number of unemployed people fell to 516,900 in August from 519,000 in July. A year ago, the jobless figure totaled 515,200.
- New Zealand's consumer prices advanced 0.5% on quarter in the third quarter of 2017, following the flat reading in the previous three months. On a yearly basis, inflation climbed 1.9% - up from 1.7% in the three months prior.
- India's wholesale price inflation climbed 2.60% year-over-year in September, slower than the 3.24% in August. Prices of food articles grew 2.04% annually in September and those of primary articles went up by 0.15%. Inflation in manufactured products witnessed a slight increase to 2.72%, against 2.45% in August. In the fuel and power segment, inflation cooled to 9.01%, against 9.99% in August.

Index	16-Oct-17	13-Oct-17	Pts. Ch.	% Change
Dow	22956.96	22871.72	85.24	0.37
Nifty	10230.85	10167.45	63.40	0.62
Sensex	32633.64	32432.69	200.95	0.62
USD/INR	64.74	64.93	-0.19	-0.29
Dollar Index	93.14	92.94	0.20	0.22
Euro/\$1US	1.1795	1.1823	-0.0028	-0.24
\$1US/Yen	112.19	111.86	0.33	0.30
Pound/\$1US	1.3253	1.3287	-0.0034	-0.26

Market Update

- U.S. stocks closed higher, with all three major indexes logging another round of records, as investors looked ahead to key corporate earnings reports that could set the tone for trading and determine whether the lofty levels of the equity market are justified. The S&P 500 added 4.47 points, or 0.2%, to end at 2,557.64, and the Nasdaq Composite Index climbed 18.20 points, or 0.3%, to finish at 6,624.
- Indian market registered modest gains on first trading day of the week on positive sentiment in Asian bourses and record closing on the Wall Street last week.

Currency Update

- The U.S. dollar rallied to intraday highs following comments by President Donald Trump at a news conference, where he reiterated that tax reform his expectation that reforms to tax policy would be completed by year-end. The greenback also tipped higher amid reports that Trump is looking to interview Janet Yellen for a potential second term as Federal Reserve chairwoman. The ICE U.S. Dollar Index was up 0.3% at 93.325, and the WSJ Dollar Index tacked on 0.3% to 86.51. The euro bought \$1.1792, down from \$1.1821. The pound traded at \$1.3235, compared with \$1.3285. Against the yen the dollar was stronger at ¥112.19, versus ¥111.82.
- The rupee continued its stellar rally for the sixth-straight day and ended at more than three-week high of 64.74 a dollar, surging by 19 paise helped by extremely bullish macro indicators. Extending its strong upmove, the rupee resumed firmly higher at 64.75 against last weekend close of 64.93 at the Interbank Foreign Exchange market due to frantic dollar unwinding by exporters and banks. It later strengthened to hit a fresh intra-day high of 64.69 before winding up the day at 64.74, showing a smart rise of 19 paise, or 0.29%. The RBI fixed the reference rate for the dollar at 64.7603.

Name of the ETF	Holdings In Tonnes As		%Ch
	16-Oct-17	13-Oct-17	
SPDR Gold ETF	853.13	853.13	0.00
iShares Silver Trust	10023.77	10132.44	-1.07

Symbol	16-Oct-17		Ratio
	Close	Close	
Gold v/s Silver	1303	17.369	75.02
Gold v/s Crude Oil	1303	51.87	25.12

Bullion	Closing		% Ch
	16-Oct-17	13-Oct-17	
Gold Dec MCX	29854	29851	0.01
Gold Dec Comex	1303	1305	-0.12
Silver Dec MCX	40341	40399	-0.14
Silver Dec Comex	17.369	17.411	-0.24
Energy			
Crude Oil Nov MCX	3390	3338	1.56
Crude Nov Nymex	51.87	51.45	0.82
Natural Gas Oct MCX	190.80	195.20	-2.25
Nat. Gas Nov Henry Hub	2.946	3.000	-1.80

LME Inventories (In Tonnes)

Base Metals	16-Oct-17	13-Oct-17	Change	% Change
Aluminum	1218950	1229750	-10800	-0.88
Copper	285025	283800	1225	0.43
Nickel	385788	385572	216	0.06
Lead	151975	152075	-100	-0.07
Zinc	271900	270925	975	0.36

Base Metals	Closing		% Ch
	16-Oct-17	13-Oct-17	
Aluminium Oct	137.05	137.50	-0.33
Copper Nov	463.65	447.95	3.50
Nickel Oct	765.50	756.20	1.23
Lead Oct	164.35	163.80	0.34
Zinc Oct	207.80	212.15	-2.05

ECONOMIC CALENDER

Tuesday October 17 2017

Time	Country	Event	Actual	Forecast	Previous
6:00 AM	Australia	RBA Meeting Minutes			
2:00 PM	U.K.	Core CPI (YoY) (Sep)		2.7%	2.7%
2:00 PM	U.K.	Core PPI Output (YoY) (Sep)		2.6%	2.5%
2:00 PM	U.K.	Core PPI Output (MoM) (Sep)		0.1%	0.2%
2:00 PM	U.K.	Core RPI (MoM) (Sep)			0.7%
2:00 PM	U.K.	Core RPI (YoY) (Sep)		4.2%	4.1%
2:00 PM	U.K.	CPI (YoY) (Sep)		3.0%	2.9%
2:00 PM	U.K.	CPI (MoM) (Sep)		0.3%	0.6%
2:00 PM	U.K.	House Price Index (YoY)		5.4%	5.1%
2:00 PM	U.K.	PPI Input (MoM) (Sep)		1.3%	1.6%
2:00 PM	U.K.	PPI Input (YoY) (Sep)		8.2%	7.6%
2:00 PM	U.K.	PPI Output (MoM) (Sep)		0.2%	0.4%
2:00 PM	U.K.	PPI Output (YoY) (Sep)		3.3%	3.4%
2:00 PM	U.K.	RPI (MoM) (Sep)		0.3%	0.7%
2:00 PM	U.K.	RPI (YoY) (Sep)		4.0%	3.9%
2:30 PM	Germany	German ZEW Current Conditions (Oct)		89.0	87.9
2:30 PM	Germany	German ZEW Economic Sentiment (Oct)		20.0	17.0
2:30 PM	Eurozone	ZEW Economic Sentiment		34.2	31.7
3:30 PM	Eurozone	Core CPI (YoY) (Sep)		1.1%	1.1%
3:30 PM	Eurozone	Core CPI (MoM) (Sep)			0.3%
3:30 PM	Eurozone	CPI (MoM) (Sep)		0.4%	0.3%
3:30 PM	Eurozone	CPI (YoY) (Sep)		1.5%	1.5%
6:00 PM	U.S.	Export Price Index (MoM) (Sep)		0.4%	0.6%
6:00 PM	U.S.	Import Price Index (MoM) (Sep)		0.5%	0.6%
6:45 PM	U.S.	Industrial Production (MoM) (Sep)		0.3%	-0.9%
6:45 PM	U.S.	Manufacturing Production (MoM) (Sep)		0.1%	-0.3%

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