



# COMMODITY REPORT

18 October 2017

## ECONOMIC/GLOBAL NEWS

- Gold futures finished back below the key \$1,300 level, with a stronger U.S. dollar prompting prices for the yellow metal to settle at their lowest in more than a week. December gold gave up \$16.80, or 1.29%, to settle at \$1,286.20 an ounce, prices finished at their lowest since Oct. 9. MCX Gold December expiry closed at Rs. 29598 per 10 gram, down 0.86%.
- U.S. industrial production rose by 0.3% in September after sliding by a revised 0.7% in August while manufacturing output inched up by 0.1% following a 0.2% dip in the previous month.
- U.S. import prices climbed by 0.7% in September after rising by 0.6% in August. The export prices advanced by 0.8% in September after climbing by an upwardly revised 0.7% in August.
- The American Petroleum Institute reported that U.S. crude supplies dropped by 7.1 million barrels for the week ended Oct. 13. The API data, however, also showed that gasoline stockpiles rose by 1.9 million barrels, while inventories of distillates climbed by 1.6 million barrels.
- U.K. inflation rose to 3% in September from 2.9% in August. Month-on-month, consumer prices gained 0.3% in September. Core inflation held steady at 2.7%.
- U.K. output price inflation slowed slightly to 3.3%, as expected, from 3.4% in August. On a monthly basis, output prices rose only 0.2% after climbing 0.4%. At the same time, annual growth in input prices remained at 8.4%. Meanwhile, monthly input price inflation eased notably to 0.4% from 2.3%.
- U.K. retail price index increased by 3.9% in September, unchanged from the previous month's rise. Analysts had expected inflation to increase to 4.0%. Month-on-month, RPI increased by just 0.1% in September, compared to a 0.7% advance in the prior month. Core RPI increased at an annualized rate of 4.1% in September, unchanged from the prior month. Month-on-month, core RPI increased 0.1% last month, compared to August's 0.7% rise.
- U.K. house price index rose 5.0% in September, following a 4.5% increase a month earlier. August's data was revised from an initial 5.1% rise.
- Eurozone inflation came in at 1.5% in September, the same rate as seen in August. Month-on-month, consumer prices climbed 0.4% in September. Core inflation eased marginally to 1.1% from 1.2% in the previous month.
- Eurozone economic confidence indicator for the currency bloc dropped 5.0 points to 26.7 points in October. In contrast, the indicator for the current economic situation climbed 1.0 point to a level of 36.5 points.
- Germany's ZEW Indicator of Economic Sentiment rose to 17.6 in October from 17.0 in the previous month. At the same time, the indicator for current situation fell unexpectedly by 0.9 points to 87.0 points in October.

Index	17-Oct-17	16-Oct-17	Pts. Ch.	% Change
<b>Dow</b>	22997.44	22956.96	<b>40.48</b>	<b>0.18</b>
<b>Nifty</b>	10234.45	10230.85	<b>3.60</b>	<b>0.04</b>
<b>Sensex</b>	32609.16	32633.64	<b>-24.48</b>	<b>-0.08</b>
<b>USD/INR</b>	65.02	64.74	<b>0.28</b>	<b>0.43</b>
<b>Dollar Index</b>	93.36	93.16	<b>0.20</b>	<b>0.21</b>
<b>Euro/\$1US</b>	1.1771	1.1797	<b>-0.0026</b>	<b>-0.22</b>
<b>\$1US/Yen</b>	112.21	112.19	<b>0.02</b>	<b>0.02</b>
<b>Pound/\$1US</b>	1.3192	1.3250	<b>-0.0058</b>	<b>-0.44</b>

## Market Update

- U.S. stocks ended mostly higher, with both the Dow and the S&P 500 finishing at records as a round of positive earnings reports from major companies boosted positive sentiment and extended the recent uptrend. The S&P 500 index rose 1.72 points to 2,559.36, a gain of less than 0.1%. The Nasdaq Composite Index ending at 6,623.66.
- 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 held most of its gains against major rivals after a round of economic data, pushed its win streak to four consecutive sessions. The ICE U.S. Dollar Index rose 0.2% to 93.499, and the WSJ Dollar Index picked up 0.2% to 86.61. The British pound dipped below the \$1.32 level earlier in the session and continued to cling to \$1.3184, compared with \$1.3250. Meanwhile, the euro bought \$1.1770, down from \$1.1798. Against the yen the dollar was little changed after starting the session on a stronger foot, trading at ¥112.18 versus ¥112.19.
- The rupee's six-session bull run came to a halt after it tumbled by a sharp 28 paise to close at 65.02 a dollar on fresh bouts of demand for the American currency amid renewed Fed rate hike fears. At the Interbank Foreign Exchange market, the rupee opened on a weak note at 64.79 as compared to Monday's close of 64.74. It later picked up bearish momentum owing to extreme dollar pressure and once again breached the key support level of 65 to hit an intra-day low of 65.0350 in afternoon deals. Finally, the local unit settled at 65.02, revealing a steep loss of 28 paise, or 0.43%. The RBI fixed the reference rate for the dollar at 64.9226.

Name of the ETF	Holdings In Tonnes As		%Ch
	17-Oct-17	16-Oct-17	
<b>SPDR Gold ETF</b>	853.13	853.13	<b>0.00</b>
<b>iShares Silver Trust</b>	10023.77	10023.77	<b>0.00</b>

Symbol	17-Oct-17		Ratio
	Close	Close	
<b>Gold v/s Silver</b>	1286	17.041	<b>75.48</b>
<b>Gold v/s Crude Oil</b>	1286	51.88	<b>24.79</b>

Bullion	Closing		% Ch
	17-Oct-17	16-Oct-17	
<b>Gold Dec MCX</b>	29598	29854	<b>-0.86</b>
<b>Gold Dec Comex</b>	1286	1303	<b>-1.29</b>
<b>Silver Dec MCX</b>	39769	40341	<b>-1.42</b>
<b>Silver Dec Comex</b>	17.041	17.369	<b>-1.89</b>
<b>Energy</b>			
<b>Crude Oil Nov MCX</b>	3381	3390	<b>-0.27</b>
<b>Crude Nov Nymex</b>	51.88	51.87	<b>0.02</b>
<b>Natural Gas Oct MCX</b>	192.90	190.80	<b>1.10</b>
<b>Nat. Gas Nov Henry Hub</b>	2.962	2.946	<b>0.54</b>

## LME Inventories (In Tonnes)

Base Metals	17-Oct-17	16-Oct-17	Change	% Change
<b>Aluminum</b>	1212225	1218950	<b>-6725</b>	<b>-0.55</b>
<b>Copper</b>	291325	285025	<b>6300</b>	<b>2.21</b>
<b>Nickel</b>	385656	385788	<b>-132</b>	<b>-0.03</b>
<b>Lead</b>	152150	151975	<b>175</b>	<b>0.12</b>
<b>Zinc</b>	271850	271900	<b>-50</b>	<b>-0.02</b>

Base Metals	Closing		% Ch
	17-Oct-17	16-Oct-17	
<b>Aluminium Oct</b>	137.95	137.05	<b>0.66</b>
<b>Copper Nov</b>	459.00	463.65	<b>-1.00</b>
<b>Nickel Oct</b>	761.50	765.50	<b>-0.52</b>
<b>Lead Oct</b>	161.45	164.35	<b>-1.76</b>
<b>Zinc Oct</b>	201.00	207.80	<b>-3.27</b>

## ECONOMIC CALENDER

Wednesday October 18 2017

Time	Country	Event	Actual	Forecast	Previous
2:00 AM	U.S.	<b>API Weekly Crude Oil Stock</b>	<b>-7.130M</b>	-4.200M	3.097M
2:00 PM	U.K.	<b>Claimant Count Change (Sep)</b>		1.0K	-2.8K
2:00 PM	U.K.	<b>Unemployment Rate (Aug)</b>		4.3%	4.3%
6:00 PM	U.S.	<b>Building Permits (Sep)</b>		1.245M	1.300M
6:00 PM	U.S.	<b>Building Permits (MoM) (Sep)</b>		-2.9%	3.4%
6:00 PM	U.S.	<b>Housing Starts (MoM) (Sep)</b>		-0.5%	-0.8%
6:00 PM	U.S.	<b>Housing Starts (Sep)</b>		1.180M	1.180M
8:00 PM	U.S.	<b>Crude Oil Inventories</b>		-4.242M	-2.747M
8:00 PM	U.S.	<b>EIA Weekly Distillates Stocks</b>		-1.453M	-1.480M
8:00 PM	U.S.	<b>Gasoline Inventories</b>		0.256M	2.490M
11:30 PM	U.S.	<b>Beige Book</b>			

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