



# COMMODITY REPORT

18 December 2017

## ECONOMIC/GLOBAL NEWS

- Natural gas remained under pressure from its notorious bearish curve structure and the delayed arrival of winter demand in the US. January natural gas fell 2.68% to \$2.612 per million British thermal units. MCX Natural Gas December expiry closed at Rs. 166.50 per British thermal unit, down 3.25%.
- China home prices rose 5.1% year-on-year in November, down from October's 5.4%. Average new home prices in China's 70 major cities rose 0.3% in November from the previous month, in line with October's price gains.
- U.S. industrial production edged up by 0.2% in November after jumping by an upwardly revised 1.2% in October. Manufacturing output increased for the third consecutive month, rising by 0.2% in November after shooting up by 1.4% in the previous month.
- Eurozone trade surplus fell to a seasonally adjusted EUR 19 billion in October from EUR 24.5 billion in September. Exports decreased 2.4% from the previous month, while imports grew 0.6%. On an unadjusted basis, the trade surplus dropped to EUR 18.9 billion from EUR 19.2 billion in the previous year. Exports climbed 8.8% annually and imports advanced 10.1% in October.
- Japan posted a merchandise trade surplus of 113.357 billion yen in November - down 22.6% on year, following the 285.4 billion yen surplus in October. Exports were up 16.2% on year to 6.930 trillion yen, topping expectations for a gain of 14.7% following the 14.0% gain in the previous month. Imports climbed an annual 17.2% to 6.807 trillion yen versus forecasts for an increase of 18.0% and down from 18.9% a month earlier.
- Russia's central bank decided to lower the rate by half a percentage point after a quarter point cut in October. The Board of Directors decided to cut the key rate by 50 basis points to 7.75% from 8.25%.
- India's exports were up 30.6% in November from a year ago while imports were up 19.6% in the month. In dollar terms the value of exports was \$26.2 billion against imports of \$40 billion, yielding a trade gap of \$13.8 billion, higher than \$13.4 billion same month last year but less than \$14 billion in October. Cumulative exports during April-November 2017-18 increased by 12% to \$196.48 billion, while imports grew 21.9% to \$296.45 billion, leaving a trade deficit of nearly \$100 billion in the first eight months against \$67.9 billion same period last year.
- Eurozone composite output index climbed to an 82-month high of 58.0 in December from 57.5 in November. The factory PMI rose to a record high of 60.6 in December from 60.1 in the previous month. The services PMI increased to an 80-month high of 56.5 in December from 56.2 in the preceding month.
- Germany's flash composite output index rose to an 80-month high of 58.7 in December from 57.3 in November. The manufacturing PMI climbed to a survey record high of 63.3 in December from 62.5 in the previous month. The services PMI increased to a 24-month high of 55.8 in December from 54.3 in November.
- France's consumer price inflation rose to 1.2% in November from 1.1% in October. On a monthly basis, consumer prices edged up at a stable rate of 0.1% in November, confirming the preliminary data.
- France's composite output index dropped to a 2-month low of 60.0 in December. The services PMI fell to 59.4 in December from 60.4 in the previous month. At the same time, the factory PMI climbed to 59.3 in December from 57.7 in November.
- India's wholesale prices climbed 3.93% year-over-year in November, faster than the 3.59% increase in October. On a monthly basis, wholesale prices went up 0.7% in November.

Index	15-Dec-17	14-Dec-17	Pts. Ch.	% Change
<b>Dow</b>	24651.74	24508.66	<b>143.08</b>	<b>0.58</b>
<b>Nifty</b>	10333.25	10252.10	<b>81.15</b>	<b>0.79</b>
<b>Sensex</b>	33462.97	33246.70	<b>216.27</b>	<b>0.65</b>
<b>USD/INR</b>	64.04	64.34	<b>-0.30</b>	<b>-0.47</b>
<b>Dollar Index</b>	93.93	93.48	<b>0.45</b>	<b>0.48</b>
<b>Euro/\$1US</b>	1.1754	1.1778	<b>-0.0024</b>	<b>-0.20</b>
<b>\$1US/Yen</b>	112.58	112.39	<b>0.19</b>	<b>0.17</b>
<b>Pound/\$1US</b>	1.3332	1.3432	<b>-0.0100</b>	<b>-0.74</b>

## Market Update

- All three main U.S. stock-market benchmarks closed at records on Friday and booked weekly gains, as investor expectations grew for passage of Republican-backed tax-cut legislation. The S&P 500 index gained 23.80 points, or 0.9%, to close at 2,675.81. The Nasdaq Composite Index rose 80.06 points, or 1.2%, to end at 6,936.58.
- Indian market logged modest gains on last trading day of the week on the back of exit poll outcome.

## Currency Update

- The U.S. dollar registered gains against its major rivals, after 11th-hour concessions made to final version of coming tax legislation managed to appease holdouts, paving the way for potentially market-boosting bill to be revealed later in the day and voted on next week. The ICE U.S. Dollar Index was 0.5% higher at 93.932. The broader WSJ U.S. Dollar Index rose 0.2% to 87.08. The euro fell to \$1.1758 as the buck advanced, down from \$1.1778. The British pound fell to \$1.3326 from \$1.3430, down 0.4%. Against the Japanese yen, the buck strengthened to ¥112.59 versus ¥112.40.
- Maintaining its upbeat momentum, the rupee surged by 30 paise to hit a fresh 3-month high of 64.04 against the US dollar, with all exit polls on assembly elections suggesting the BJP retaining Gujarat and returning to power in Himachal Pradesh. At the Interbank Foreign Exchange (forex) market, the home currency resumed substantially higher at 64.20 compared to Thursday's close of 64.34. It gained further ground to hit an intra-day high of 64.01 in mid-afternoon deals before ending at 64.04, showing a smart 30 paise jump, or 0.47%. The RBI fixed the reference rate for the dollar at 64.0958.

Name of the ETF	Holdings In Tonnes As		%Ch
	15-Dec-17	14-Dec-17	
<b>SPDR Gold ETF</b>	844.29	844.29	<b>0.00</b>
<b>iShares Silver Trust</b>	10150.22	10150.22	<b>0.00</b>

Symbol	15-Dec-17		Ratio
	Close	Close	
<b>Gold v/s Silver</b>	1258	16.063	<b>78.29</b>
<b>Gold v/s Crude Oil</b>	1258	57.33	<b>21.93</b>

Bullion	Closing		% Ch
	15-Dec-17	14-Dec-17	
<b>Gold Feb MCX</b>	28254	28317	<b>-0.22</b>
<b>Gold Feb Comex</b>	1258	1257	<b>0.03</b>
<b>Silver Mar MCX</b>	37205	37054	<b>0.41</b>
<b>Silver Mar Comex</b>	16.063	15.934	<b>0.81</b>
<b>Energy</b>			
<b>Crude Oil Jan MCX</b>	3681	3666	<b>0.41</b>
<b>Crude Feb Nymex</b>	57.33	57.08	<b>0.44</b>
<b>Natural Gas Dec MCX</b>	166.50	172.10	<b>-3.25</b>
<b>Nat. Gas Jan Henry Hub</b>	2.612	2.684	<b>-2.68</b>

## LME Inventories (In Tonnes)

Base Metals	15-Dec-17	14-Dec-17	Change	% Change
<b>Aluminum</b>	1105950	1110600	<b>-4650</b>	<b>-0.42</b>
<b>Copper</b>	195200	191550	<b>3650</b>	<b>1.91</b>
<b>Nickel</b>	374850	376878	<b>-2028</b>	<b>-0.54</b>
<b>Lead</b>	144550	144975	<b>-425</b>	<b>-0.29</b>
<b>Zinc</b>	193750	195225	<b>-1475</b>	<b>-0.76</b>

Base Metals	Closing		% Ch
	15-Dec-17	14-Dec-17	
<b>Aluminium Dec</b>	131.65	131.00	<b>0.50</b>
<b>Copper Feb</b>	445.80	439.35	<b>1.47</b>
<b>Nickel Dec</b>	739.10	718.30	<b>2.90</b>
<b>Lead Dec</b>	162.05	160.15	<b>1.19</b>
<b>Zinc Dec</b>	205.35	204.90	<b>0.22</b>

## ECONOMIC CALENDER

Monday December 18 2017					
Time	Country	Event	Actual	Forecast	Previous
5:20 AM	Japan	<b>Adjusted Trade Balance</b>	<b>0.36T</b>	0.27T	0.35T
5:20 AM	Japan	<b>Exports (YoY) (Nov)</b>	<b>16.2%</b>	14.6%	14.0%
5:20 AM	Japan	<b>Imports (YoY) (Nov)</b>	<b>17.2%</b>	18.0%	18.9%
5:20 AM	Japan	<b>Trade Balance (Nov)</b>	<b>113B</b>	-55B	285B
7:00 AM	China	<b>House Prices (YoY) (Nov)</b>	<b>5.1%</b>		5.4%
3:30 PM	Eurozone	<b>Core CPI (YoY) (Nov)</b>		0.9%	0.9%
3:30 PM	Eurozone	<b>Core CPI (MoM) (Nov)</b>			-0.1%
3:30 PM	Eurozone	<b>CPI (YoY) (Nov)</b>		1.5%	1.5%
3:30 PM	Eurozone	<b>CPI (MoM) (Nov)</b>		0.1%	0.1%
4:30 PM	U.K.	<b>CBI Industrial Trends Orders (Dec)</b>		14	17

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