



# COMMODITY REPORT

19 May 2017

## ECONOMIC/GLOBAL NEWS

- Oil prices settled slightly higher, adding to the previous session's advance on upbeat U.S. inventory data, but the commodity is still expected to face a bumpy ride in coming days ahead of an important OPEC meeting in Vienna to extend production limits. West Texas Intermediate crude trading on the New York Mercantile Exchange for July delivery - the U.S. benchmark contract finished up 25 cents, or 0.51%, at \$49.66 a barrel. MCX Crude Oil June expiry closed at Rs. 3237 per barrel, up 1.41%.
- China attracted 59.91 billion yuan (\$8.70 billion) in foreign direct investment in April, down 4.3% from a year earlier, the figure was down from March's CNY87.83 billion, which was 6.7% higher from a year earlier. FDI in the January-April period edged down 0.1% compared with a year ago at CNY 286.41 billion.
- U.S. initial jobless claims edged down to 232,000 in the week ended May 13th, a decrease of 4,000 from the previous week's unrevised level of 236,000. Additionally, the report said continuing claims dropped by 22,000 to 1.898 million in the week ended May 6th.
- U.S. Conference Board leading economic index rose by 0.3% in April, matching the downwardly revised increase in March.
- The U.S. Energy Information Administration said in its weekly report that natural gas storage in the U.S. rose by 68 billion cubic feet in the week ended May 12.
- U.K. retail sales volume including auto fuel grew 2.3% month-on-month in April, reversing a 1.4% drop in March. Core retail sales climbed 2% in contrast to March's 1.2% decrease. On a yearly basis, overall sales volume growth doubled to 4% in April from 2% in March. Core retail sales climbed 4.5%, following March's 2.8% increase.
- France's unemployment rate fell to 9.6% in the first quarter of the year from 10% at the end of 2016, national statistics agency Insee said. Unemployment among 15 to 24 year-olds fell to 22.3% from 23.7%.

Index	18-May-17	17-May-17	Pts. Ch.	% Change
<b>Dow</b>	20663.02	20606.93	<b>56.09</b>	<b>0.27</b>
<b>Nifty</b>	9429.45	9525.75	<b>-96.30</b>	<b>-1.01</b>
<b>Sensex</b>	30434.79	30658.77	<b>-223.98</b>	<b>-0.73</b>
<b>USD/INR</b>	64.84	64.16	<b>0.67</b>	<b>1.05</b>
<b>Dollar Index</b>	97.77	97.46	<b>0.31</b>	<b>0.32</b>
<b>Euro/\$1US</b>	1.1103	1.1159	<b>-0.0056</b>	<b>-0.50</b>
<b>\$1US/Yen</b>	111.50	110.82	<b>0.68</b>	<b>0.61</b>
<b>Pound/\$1US</b>	1.2939	1.2973	<b>-0.0034</b>	<b>-0.26</b>

## Market Update

- U.S. stocks closed higher, following the previous session's brutal selloff, as positive data offered a glimmer of optimism and technology provided an additional fillip to the market. The Nasdaq Composite Index finished up 43.89 points, or 0.7%, at 6,055.13. The S&P 500 index rose 8.69 points, or 0.4%, to close at 2,365.72.
- Indian market registered losses on weak global cues, snapping its recent rising streak.

## Currency Update

- The U.S. dollar staged a rebound after a period of weakness, with sentiment boosted by a hawkish comment from Loretta Mester, president of the Federal Reserve Bank of Cleveland. The ICE Dollar Index was up 0.1% at 97.66. The euro was trading at \$1.1111, down from \$1.1159, while the dollar bought ¥111.27, up from ¥110.81. The British currency reversed course to trade lower against the dollar, changing hands at \$1.2934, down from \$1.2971.
- Experiencing its worst day in about 10 months, the rupee today fell by a massive 67 paise to end at more than one-month low of 64.84 against the US dollar amid heightened global volatility. The local unit resumed sharply lower at 64.34 from overnight closing level of 64.16 on frantic demand from the greenback from banks and importers. It remained under immense pressure throughout the day and collapsed to hit sessions' lowest level of 64.91 in late afternoon deal before ending the day at 64.84 with a huge 67 paise slide or 1.05% - the lowest closing since April 5, 2017 when it had settled at 64.87 per dollar. The RBI fixed the reference rate for the dollar at 64.3441.

Name of the ETF	Holdings In Tonnes As		%Ch
	18-May-17	17-May-17	
<b>SPDR Gold ETF</b>	850.71	851.89	<b>-0.14</b>
<b>iShares Silver Trust</b>	10693.85	10649.70	<b>0.41</b>

Symbol	18-May-17		Ratio
	Close	Close	
<b>Gold v/s Silver</b>	1253	16.670	<b>75.15</b>
<b>Gold v/s Crude Oil</b>	1253	49.66	<b>25.23</b>

Bullion	Closing		% Ch
	18-May-17	17-May-17	
<b>Gold Jun MCX</b>	28705	28619	<b>0.30</b>
<b>Gold Jun Comex</b>	1253	1259	<b>-0.47</b>
<b>Silver Jul MCX</b>	38889	39199	<b>-0.79</b>
<b>Silver Jul Comex</b>	16.670	16.906	<b>-1.40</b>
<b>Energy</b>			
<b>Crude Oil Jun MCX</b>	3237	3192	<b>1.41</b>
<b>Crude Jul Nymex</b>	49.66	49.41	<b>0.51</b>
<b>Natural Gas May MCX</b>	207.80	204.70	<b>1.51</b>
<b>Nat. Gas Jun Henry Hub</b>	3.182	3.192	<b>-0.31</b>

## LME Inventories (In Tonnes)

Base Metals	18-May-17	17-May-17	Change	% Change
<b>Aluminum</b>	1515400	1526800	<b>-11400</b>	<b>-0.75</b>
<b>Copper</b>	340350	339600	<b>750</b>	<b>0.22</b>
<b>Nickel</b>	379824	380340	<b>-516</b>	<b>-0.14</b>
<b>Lead</b>	184450	183800	<b>650</b>	<b>0.35</b>
<b>Zinc</b>	344875	347700	<b>-2825</b>	<b>-0.81</b>

Base Metals	Closing		% Ch
	18-May-17	17-May-17	
<b>Aluminium May</b>	124.90	123.70	<b>0.97</b>
<b>Copper Jun</b>	364.55	363.15	<b>0.39</b>
<b>Nickel May</b>	594.20	585.40	<b>1.50</b>
<b>Lead May</b>	134.05	135.45	<b>-1.03</b>
<b>Zinc May</b>	164.45	164.35	<b>0.06</b>

## ECONOMIC CALENDER

Friday May 19, 2017

Time	Country	Event	Actual	Forecast	Previous
11:30 AM	Germany	<b>German PPI (YoY) (Apr)</b>		3.2%	3.1%
11:30 AM	Germany	<b>German PPI (MoM) (Apr)</b>		0.2%	0.0%
1:30 PM	Eurozone	<b>Current Account (Mar)</b>		32.3B	37.9B
1:30 PM	Eurozone	<b>Current Account n.s.a. (Mar)</b>			27.9B
3:30 PM	U.K.	<b>CBI Industrial Trends Orders (May)</b>		4	4
5:00 PM	India	<b>FX Reserves, USD</b>			375.72B
7:30 PM	Eurozone	<b>Consumer Confidence (May)</b>		-3.0	-3.6

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