



COMMODITY REPORT

19 December 2017

ECONOMIC/GLOBAL NEWS

- Natural Gas edged higher, the bounce came after forecasts were revised to show much colder than previously expected temperatures across much of the U.S. in the latter part of this month and early January. Natural gas jumped 5.09% to \$2.745 per million British thermal units, rebounding from a nearly 10-month closing low. MCX Natural Gas December expiry closed at Rs. 177.30 per British thermal unit, up 6.49%.
- U.S. NAHB/Wells Fargo Housing Market Index jumped to 74 in December from a downwardly revised 69 in November.
- U.K. CBI manufacturing order books were close to a 30-year high in the fourth quarter, about 28% of manufacturers reported that total order books were above normal, and 11% said they were below normal, giving a balance of +17%, which was the joint highest with last month and August 1988.
- Eurozone consumer price inflation advanced 1.5% year-on-year in November, following October's 1.4% increase. On a monthly basis, the harmonized index of consumer prices edged up 0.1% in November.
- Italy's trade surplus rose to EUR 4.95 billion in October from EUR 4.19 billion in the corresponding month last year. In September, the surplus was EUR 3.99 billion. On a monthly basis, exports increased only 0.5% and imports climbed by 2.6%.
- Australia's consumer confidence climbed to 116.5 during the week ended December 17 from 115.1 in the preceding week.
- South Korea's producer price inflation climbed 3.1% year-over-year in November, slower than the 3.6% increase in October. On a monthly basis, producer prices edged down 0.1% from October, when it increased by 0.1%.
- Hong Kong's unemployment rate came in at 3.0% in the September to November period, the same rate as in the August to October period. The underemployment rate also remained unchanged at 1.1% in the two periods. On an unadjusted basis, the number of unemployed people totaled 117,800 in September to November, down from 123,600 in August to October.
- New Zealand's consumer confidence ebbed in the fourth quarter of 2017, with an index score of 107.4. That's down from 112.4.

Index	18-Dec-17	15-Dec-17	Pts. Ch.	% Change
Dow	24792.20	24651.74	140.46	0.57
Nifty	10388.75	10333.25	55.50	0.54
Sensex	33601.68	33462.97	138.71	0.41
USD/INR	64.24	64.04	0.19	0.30
Dollar Index	93.23	93.93	-0.70	-0.75
Euro/\$1US	1.1784	1.1754	0.0030	0.26
\$1US/Yen	112.57	112.58	-0.01	-0.01
Pound/\$1US	1.3379	1.3321	0.0058	0.44

Market Update

- U.S. stocks closed higher, with major indexes ending at records on growing confidence congressional Republicans will succeed in passing tax-cut legislation as early as this week. The S&P 500 gained 14.35 points, or 0.5%, to end at 2,690.16. The Nasdaq Composite Index rose 0.8%, or 58.18 points, to 6,994.76.
- Indian market settled with modest gains after witnessing sharp volatility at the onset of the session as assembly elections results showed that BJP will return to power for a sixth straight term in Gujarat and will overthrow Congress rule to form government in Himachal Pradesh. Positive cues from global markets also lifted investor spirits. Key indices gained for the third straight day.

Currency Update

- The U.S. dollar lost ground against most major rivals, with rising expectations for passage of Republican-backed tax-cut legislation failing to provide a lift to the currency. The ICE U.S. Dollar Index fell 0.3% to 93.702 versus its level late Friday in U.S. trade at 93.932. The WSJ Dollar was off 0.2% at 86.92. The euro traded at \$1.1782, up from \$1.1758, while the British pound fetched \$1.3384, up from \$1.3326. The dollar bought 112.55 Japanese yen down from 112.59 yen.
- The rupee too recouped its massive initial losses but ended still lower by 19 paise to 64.24 a dollar after the trends showed the BJP will form governments in Gujarat and Himachal Pradesh. Scripting its biggest single-day fall in the recent past, the rupee nosedived by a whopping 70 paise to 64.74 in early trade after a sense of panic and disbelief rippled through currency trading after initial trends suggested that the ruling BJP was lagging behind in Gujarat election results. At the Interbank Foreign Exchange (forex) market, the home currency resumed weak at 64.15 against last Friday's close of 64.04 on fresh dollar demand. However, the rupee managed to overcome early setback and staged a smart recovery in tandem with local stocks, but eventually ended at 64.24, showing a loss of 19 paise, or 0.30%. The RBI fixed the reference rate for the dollar at 64.1065.

Name of the ETF	Holdings In Tonnes As		%Ch
	18-Dec-17	15-Dec-17	
SPDR Gold ETF	837.20	844.29	-0.84
iShares Silver Trust	10150.22	10150.22	0.00

Symbol	18-Dec-17		Ratio
	Close	Close	
Gold v/s Silver	1266	16.205	78.09
Gold v/s Crude Oil	1266	57.22	22.12

Bullion	Closing		% Ch
	18-Dec-17	15-Dec-17	
Gold Feb MCX	28470	28254	0.76
Gold Feb Comex	1266	1258	0.64
Silver Mar MCX	37541	37205	0.90
Silver Mar Comex	16.205	16.063	0.88
Energy			
Crude Oil Jan MCX	3665	3681	-0.43
Crude Feb Nymex	57.22	57.33	-0.19
Natural Gas Dec MCX	177.30	166.50	6.49
Nat. Gas Jan Henry Hub	2.745	2.612	5.09

LME Inventories (In Tonnes)

Base Metals	18-Dec-17	15-Dec-17	Change	% Change
Aluminum	1105900	1105950	-50	-0.005
Copper	196725	195200	1525	0.78
Nickel	373314	374850	-1536	-0.41
Lead	143875	144550	-675	-0.47
Zinc	191900	193750	-1850	-0.95

Base Metals	Closing		% Ch
	18-Dec-17	15-Dec-17	
Aluminium Dec	132.55	131.65	0.68
Copper Feb	448.25	445.80	0.55
Nickel Dec	755.40	739.10	2.21
Lead Dec	164.65	162.05	1.60
Zinc Dec	204.90	205.35	-0.22

ECONOMIC CALENDER

Tuesday December 19 2017

Time	Country	Event	Actual	Forecast	Previous
6:00 AM	Australia	RBA Meeting Minutes			
2:30 PM	Germany	German Business Expectations (Dec)		110.7	111.0
2:30 PM	Germany	German Current Assessment (Dec)		124.7	124.4
2:30 PM	Germany	German Ifo Business Climate Index (Dec)		117.6	117.5
7:00 PM	U.S.	Building Permits (Nov)		1.270M	1.316M
7:00 PM	U.S.	Building Permits (MoM) (Nov)		-3.2%	7.4%
7:00 PM	U.S.	Current Account (Q3)		-116.8B	-123.1B
7:00 PM	U.S.	Housing Starts (Nov)		1.250M	1.290M
7:00 PM	U.S.	Housing Starts (MoM) (Nov)		-3.2%	13.7%

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