



COMMODITY REPORT

21 December 2017

ECONOMIC/GLOBAL NEWS

- In a decade where oil and gas drilling increased-then leveled off-natural gas prices have fallen dramatically. The development of pipelines should increase delivery of natural gas, increasing availability and keeping prices low. Natural gas slumped 5.5 cents, or 2.04%, to end at \$2.637 per million British thermal units. MCX Natural Gas January expiry closed at Rs. 170 per British thermal unit, down 3.08%.
- U.S. existing home sales soared by 5.6% to an annual rate of 5.81 million in November from an upwardly revised 5.50 million in October.
- The Energy Information Administration said U.S. crude supplies fell by 6.5 million barrels in the week ended Dec. 15. The data also showed gasoline stocks rose 1.2 million barrels.
- U.K. GfK consumer confidence index slipped to -13, its lowest since December 2013, from -12 in November.
- U.K. retail sales balance dropped to +20 in December from +26 in November, the monthly CBI Distributive Trade Survey showed. That was less than the +30 balance predicted in the previous survey.
- Eurozone current account surplus fell to a seasonally adjusted EUR 30.8 billion in October from EUR 39.2 billion in September.
- Germany's producer price inflation slowed to 2.5% in November from 2.7% in October. On a monthly basis, producer prices edged up 0.1%, following October's 0.3% increase.
- The Bank of Japan kept its monetary stimulus unchanged as widely expected, Governor Haruhiko Kuroda and his board members decided by an 8-1 majority vote to hold its target of raising the amount of outstanding JGB holdings at an annual pace of about JPY 80 trillion. The bank will purchase government bonds so that the yield of 10-year JGBs will remain at around 0%. The board also decided to maintain the -0.1% interest rate on current accounts that financial institutions maintain at the bank.
- New Zealand's gross domestic product expanded 0.6% on quarter in the third quarter of 2017, up from the upwardly revised 1.0% increase in the three months prior.

Index	20-Dec-17	19-Dec-17	Pts. Ch.	% Change
Dow	24726.65	24754.75	-28.10	-0.11
Nifty	10444.20	10463.20	-19.00	-0.18
Sensex	33777.38	33836.74	-59.36	-0.18
USD/INR	64.11	64.03	0.08	0.13
Dollar Index	92.94	93.03	-0.09	-0.10
Euro/\$1US	1.1878	1.1840	0.0038	0.32
\$1US/Yen	113.25	112.89	0.36	0.32
Pound/\$1US	1.3370	1.3385	-0.0015	-0.11

Market Update

- Stock-market indexes closed marginally lower, with the Dow and S&P 500 retreating from record levels for a second session, as congressional Republicans sent tax-cut legislation to President Donald Trump for his signature. The S&P 500 closed 2.22 points lower at 2,679.25, a loss of less than 0.1%. The Nasdaq Composite Index closed 2.89 points lower at 6,960.96.
- Indian market settled with small losses after a range bound trade as profit booking emerged after market hit record high. Weakness in global stocks weighed on sentiment.

Currency Update

- The dollar edged lower versus most major rivals as Congress passed a sweeping tax overhaul, but edged higher versus the Japanese yen as traders awaited a meeting of Bank of Japan policy makers. The ICE U.S. Dollar Index traded at 93.357, down from 93.444 late Tuesday in New York. The WSJ Dollar was flat at 86.83. The dollar traded at 113.39 Japanese yen, up from 112.86. The euro traded at \$1.1872, up from \$1.1844. The British pound traded at \$1.3376, off marginally from \$1.3382.
- The rupee failed to hold onto early gains and eventually ended lower by 8 paise at 64.11 against the US currency due to bouts of dollar demand from importers. Lacklustre local equity markets along with sustained capital outflows too weighed on the currency trade. At the Interbank Foreign Exchange (forex) market, the rupee opened higher at 64.00 as compared to Tuesday's close of 64.03 largely tracking firm domestic equities. Later, it slipped to trade in a tight range band due to lack of triggers and gradually touched an intra-day low of 64.13 before settling at 64.11, showing a loss of 8 paise, or 0.13%. The RBI fixed the reference rate for the dollar at 64.0577.

Name of the ETF	Holdings In Tonnes As		%Ch
	20-Dec-17	19-Dec-17	
SPDR Gold ETF	836.02	836.02	0.00
iShares Silver Trust	10150.22	10150.22	0.00

Symbol	20-Dec-17		Ratio
	Close	Close	
Gold v/s Silver	1270	16.275	78.01
Gold v/s Crude Oil	1270	58.09	21.86

Bullion	Closing		% Ch
	20-Dec-17	19-Dec-17	
Gold Feb MCX	28493	28405	0.31
Gold Feb Comex	1270	1264	0.43
Silver Mar MCX	37646	37392	0.68
Silver Mar Comex	16.275	16.153	0.76
Energy			
Crude Oil Jan MCX	3716	3698	0.49
Crude Feb Nymex	58.09	57.56	0.92
Natural Gas Jan MCX	170.00	175.40	-3.08
Nat. Gas Jan Henry Hub	2.637	2.692	-2.04

LME Inventories (In Tonnes)

Base Metals	20-Dec-17	19-Dec-17	Change	% Change
Aluminum	1107975	1105875	2100	0.19
Copper	201150	201725	-575	-0.29
Nickel	374934	374502	432	0.12
Lead	142000	143550	-1550	-1.08
Zinc	189725	191325	-1600	-0.84

Base Metals	Closing		% Ch
	20-Dec-17	19-Dec-17	
Aluminium Dec	135.00	133.90	0.82
Copper Feb	454.00	448.45	1.24
Nickel Dec	765.40	752.20	1.75
Lead Dec	161.40	163.70	-1.41
Zinc Dec	205.70	205.35	0.17

ECONOMIC CALENDER

Thursday December 21 2017

Time	Country	Event	Actual	Forecast	Previous
5:31 AM	U.K.	GfK Consumer Confidence (Dec)	-13	-12	-12
6:00 AM	Australia	RBA Bulletin			
Tentative	Japan	BoJ Monetary Policy Statement (YoY)			
Tentative	Japan	BoJ Interest Rate Decision	-0.10%	-0.10%	-0.10%
12:00 PM	Japan	BoJ Press Conference			
1:15 PM	France	French Business Survey (Dec)		112	112
7:00 PM	U.S.	Continuing Jobless Claims		1,900K	1,886K
7:00 PM	U.S.	GDP (QoQ) (Q3)		3.3%	3.3%
7:00 PM	U.S.	Initial Jobless Claims		231K	225K
7:30 PM	U.S.	House Price Index (MoM) (Oct)		0.2%	0.3%
7:30 PM	U.S.	House Price Index (YoY) (Oct)			6.3%
8:30 PM	Eurozone	Consumer Confidence (Dec)		0.0	0.1
9:00 PM	U.S.	Natural Gas Storage		-170B	-69B

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