



# COMMODITY REPORT

22 December 2017

## ECONOMIC/GLOBAL NEWS

- A cold forecast and a bullish government storage report couldn't rescue slumping natural gas futures, as January took out last week's all-time contract low. Natural gas slumped 1.48% to \$2.598 per million British thermal units. The EIA said natural gas stockpiles fell by 182 billion cubic feet last week, exceeding the 169 billion cubic feet. MCX Natural Gas January expiry closed at Rs. 167.60 per British thermal unit, down 1.41%.
- U.S. real gross domestic product surged up by 3.2% in the third quarter compared to the previously estimated 3.3% jump.
- U.S. initial jobless claims climbed to 245,000 in the week ended December 16th, an increase of 20,000 from the previous week's unrevised level of 225,000. Continuing claims increased by 43,000 to 1.932 million in the week ended December 9th.
- U.S. house prices rose in October, up 0.5% from the previous month. Further, the previously reported 0.3% increase in September was revised upward to 0.5%. From October 2016 to October 2017, house prices were up 6.6%, and were up 6.5% from September with the revision.
- U.S. Conference Board said its leading economic index climbed by 0.4% in November after jumping by 1.2% in October.
- U.K. public sector net borrowing excluding public sector banks, decreased GBP 0.2 billion to GBP 8.7 billion in November.
- Eurozone consumer confidence rose to 0.5 in December from a downwardly adjusted 0.0 in November.
- French GfK business climate in manufacturing remained very favorable in December, although the composite index dropped to 112 from 113 in November.
- Greece current account deficit climbed to EUR 624.1 million in October from EUR 267.9 million in the corresponding month last year.
- Hong Kong's current account surplus rose to HK\$58.0 billion in the third quarter from HK\$37.5 billion in the same period last year. During the second quarter, the surplus was HK\$18.0 billion.
- Hong Kong's consumer price inflation climbed 1.6% year-over-year in November, just above the 1.5% increase in October.
- Taiwan's central bank kept its key interest rates unchanged, the central bank kept the discount rate at 1.375%.

| Index               | 21-Dec-17 | 20-Dec-17 | Pts. Ch.       | % Change     |
|---------------------|-----------|-----------|----------------|--------------|
| <b>Dow</b>          | 24782.29  | 24726.65  | <b>55.64</b>   | <b>0.23</b>  |
| <b>Nifty</b>        | 10440.30  | 10444.20  | <b>-3.90</b>   | <b>-0.04</b> |
| <b>Sensex</b>       | 33756.28  | 33777.38  | <b>-21.10</b>  | <b>-0.06</b> |
| <b>USD/INR</b>      | 64.05     | 64.11     | <b>-0.06</b>   | <b>-0.09</b> |
| <b>Dollar Index</b> | 92.84     | 92.89     | <b>-0.05</b>   | <b>-0.05</b> |
| <b>Euro/\$1US</b>   | 1.1852    | 1.1871    | <b>-0.0019</b> | <b>-0.16</b> |
| <b>\$1US/Yen</b>    | 113.32    | 113.39    | <b>-0.07</b>   | <b>-0.06</b> |
| <b>Pound/\$1US</b>  | 1.3378    | 1.3376    | <b>0.0002</b>  | <b>0.01</b>  |

## Market Update

- U.S. stocks closed higher, with energy stocks helping major indexes to end points away from record territory. The latest economic data, which pointed to slight slowing from strong previous readings, further supported the market. The S&P 500 added 5.32 points, or 0.2%, to 2,6854.57. The Nasdaq Composite Index rose 4.4 points to end at 6,965.35.
- Indian market settled marginally lower after a range bound trade amid subdued global cues. Key indices declined for the second straight day.

## Currency Update

- The U.S. dollar tumbled against its Canadian counterpart as the loonie advanced against all major rivals after a pickup in inflation and other economic data. The ICE U.S. Dollar Index traded at 93.305, off slightly from 93.357. The WSJ Dollar declined 0.1% to 86.77. The dollar traded at 113.33 Japanese yen down slightly from ¥113.39. The euro traded at \$1.1876, up slightly from \$1.1873. The euro hit a 2½-week high on Wednesday of \$1.1901. The British pound traded at \$1.3385, up around 0.1% on the day.
- The rupee recouped some of its overnight losses and ended higher by 6 paise at 64.05 a dollar on bouts of greenback selling by exporters and banks. The Indian unit traded in a narrow range of 64.00-64.13 most of the day before settling positively. At the Interbank Foreign Exchange (forex) market, the rupee resumed higher at 64.00 from Wednesday's close of 64.11 on fresh dollar selling and also supported by firm equities. After a brief slippage, the home currency rebounded in mid-afternoon trade and finally settled at 64.05, showing a gains of 0.06 paise, or 0.09%. The RBI fixed the reference rate for the dollar at 64.0883.

| Name of the ETF             | Holdings In Tonnes As |           | %Ch         |
|-----------------------------|-----------------------|-----------|-------------|
|                             | 21-Dec-17             | 20-Dec-17 |             |
| <b>SPDR Gold ETF</b>        | 836.02                | 836.02    | <b>0.00</b> |
| <b>iShares Silver Trust</b> | 10150.22              | 10150.22  | <b>0.00</b> |

| Symbol                    | 21-Dec-17 |        | Ratio        |
|---------------------------|-----------|--------|--------------|
|                           | Close     | Close  |              |
| <b>Gold v/s Silver</b>    | 1271      | 16.239 | <b>78.24</b> |
| <b>Gold v/s Crude Oil</b> | 1271      | 58.36  | <b>21.77</b> |

| Bullion                       | Closing   |           | % Ch         |
|-------------------------------|-----------|-----------|--------------|
|                               | 21-Dec-17 | 20-Dec-17 |              |
| <b>Gold Feb MCX</b>           | 28501     | 28493     | <b>0.03</b>  |
| <b>Gold Feb Comex</b>         | 1271      | 1270      | <b>0.08</b>  |
| <b>Silver Mar MCX</b>         | 37530     | 37646     | <b>-0.31</b> |
| <b>Silver Mar Comex</b>       | 16.239    | 16.275    | <b>-0.22</b> |
| <b>Energy</b>                 |           |           |              |
| <b>Crude Oil Jan MCX</b>      | 3732      | 3716      | <b>0.43</b>  |
| <b>Crude Feb Nymex</b>        | 58.36     | 58.09     | <b>0.46</b>  |
| <b>Natural Gas Jan MCX</b>    | 167.60    | 170.00    | <b>-1.41</b> |
| <b>Nat. Gas Jan Henry Hub</b> | 2.598     | 2.637     | <b>-1.48</b> |

## LME Inventories (In Tonnes)

| Base Metals     | 21-Dec-17 | 20-Dec-17 | Change       | % Change     |
|-----------------|-----------|-----------|--------------|--------------|
| <b>Aluminum</b> | 1106025   | 1107975   | <b>-1950</b> | <b>-0.18</b> |
| <b>Copper</b>   | 201650    | 201150    | <b>500</b>   | <b>0.25</b>  |
| <b>Nickel</b>   | 373410    | 374934    | <b>-1524</b> | <b>-0.41</b> |
| <b>Lead</b>     | 141875    | 142000    | <b>-125</b>  | <b>-0.09</b> |
| <b>Zinc</b>     | 188225    | 189725    | <b>-1500</b> | <b>-0.79</b> |

| Base Metals          | Closing   |           | % Ch         |
|----------------------|-----------|-----------|--------------|
|                      | 21-Dec-17 | 20-Dec-17 |              |
| <b>Aluminium Dec</b> | 136.80    | 135.00    | <b>1.33</b>  |
| <b>Copper Feb</b>    | 456.75    | 454.00    | <b>0.61</b>  |
| <b>Nickel Dec</b>    | 770.30    | 765.40    | <b>0.64</b>  |
| <b>Lead Dec</b>      | 159.55    | 161.40    | <b>-1.15</b> |
| <b>Zinc Dec</b>      | 207.10    | 205.70    | <b>0.68</b>  |

## ECONOMIC CALENDER

Friday December 22 2017

| Time     | Country | Event  | Actual | Forecast | Previous |
|----------|---------|--|--------|----------|----------|
| 12:30 PM | Germany | <b>German Import Price Index (MoM) (Nov)</b> |        |          | 0.6%     |
| 12:30 PM | Germany | <b>German Import Price Index (YoY) (Nov)</b> |        | 2.7%     | 2.6%     |
| 12:30 PM | Germany | <b>GfK German Consumer Climate (Jan)</b>     |        | 10.8     | 10.7     |
| 1:15 PM  | France  | <b>French Consumer Spending (MoM) (Nov)</b>  |        | 1.5%     | -1.9%    |
| 1:15 PM  | France  | <b>French GDP (QoQ)</b>                      |        |          | 0.5%     |
| 1:15 PM  | France  | <b>French PPI (MoM) (Nov)</b>                |        |          | 0.2%     |
| 3:00 PM  | U.K.    | <b>Business Investment (QoQ) (Q3)</b>        |        | 0.2%     | 0.2%     |
| 3:00 PM  | U.K.    | <b>Business Investment (YoY) (Q3)</b>        |        |          | 1.3%     |
| 3:00 PM  | U.K.    | <b>Current Account (Q3)</b>                  |        | -21.2B   | -23.2B   |
| 3:00 PM  | U.K.    | <b>GDP (YoY) (Q3)</b>                        |        | 1.5%     | 1.5%     |
| 3:00 PM  | U.K.    | <b>GDP (QoQ) (Q3)</b>                        |        | 0.4%     | 0.4%     |
| 3:00 PM  | U.K.    | <b>Index of Services</b>                     |        | 0.3%     | 0.4%     |
| 5:00 PM  | India   | <b>Bank Loan Growth</b>                      |        |          | 9.6%     |
| 5:00 PM  | India   | <b>Deposit Growth</b>                        |        |          | 3.5%     |
| 5:00 PM  | India   | <b>FX Reserves, USD</b>                      |        |          | 400.90B  |
| 7:00 PM  | U.S.    | <b>Core Durable Goods Orders (MoM) (Nov)</b> |        | 0.5%     | 0.9%     |
| 7:00 PM  | U.S.    | <b>Durable Goods Orders (MoM) (Nov)</b>      |        | 2.0%     | -0.8%    |
| 8:30 PM  | U.S.    | <b>Michigan Consumer Sentiment (Dec)</b>     |        | 97.1     | 96.8     |
| 8:30 PM  | U.S.    | <b>New Home Sales (MoM) (Nov)</b>            |        | -4.7%    | 6.2%     |
| 8:30 PM  | U.S.    | <b>New Home Sales (Nov)</b>                  |        | 654K     | 685K     |

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