



# COMMODITY REPORT

23 January 2018

## ECONOMIC/GLOBAL NEWS

- Natural gas futures edged higher to start the week, as market players monitored winter weather forecasts to gauge demand for the fuel. February Natural gas added 1.22% to \$3.224 per million British thermal units. MCX Natural Gas February expiry closed at Rs. 188.80 per British thermal unit, down 0.37%.
- U.S. consumer sentiment index dipped to 94.4 in January from the final December reading of 95.9.
- U.K. retail sales decreased by 1.5% in December from the prior month, compared to the previous 1.0% gain which was revised from an initial 1.1% rise. Year-on-year, retail sales rose by 1.4% last month, compared to November's 1.5% advance which was a downward revision from the initial 1.6% gain. Core retail sales fell by 1.6% in December, compared to the prior 1.1% advance which was revised down from an initial gain of 1.2%. Year-on-year, core retail sales gained 1.3% in December, compared to the previous month's 1.5% rise.
- Eurozone current account surplus rose to EUR 32.5 billion in November from EUR 30.3 billion in October. On an unadjusted basis, the current account surplus was EUR 37.8 billion versus EUR 35.4 billion in October.
- Germany's producer price inflation climbed 2.3% year-on-year in December, slower than the 2.5% increase registered in November. On a monthly basis, producer price inflation climbed to 0.2% from 0.1% in November.
- Greece's current account deficit fell to EUR 954 million in November from EUR 1.25 billion in the corresponding month last year.
- Singapore's consumer price inflation climbed 0.4% year-over-year in December, slower than the 0.6% rise in November. Month-on-month, consumer prices edged down 0.1% in December, reversing a 0.6% increase in November.
- Bank of Japan kept its monetary stimulus unchanged. 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.

Index	22-Jan-18	19-Jan-18	Pts. Ch.	% Change
<b>Dow</b>	26214.60	26071.72	<b>142.88</b>	<b>0.55</b>
<b>Nifty</b>	10966.20	10894.70	<b>71.50</b>	<b>0.66</b>
<b>Sensex</b>	35798.01	35511.58	<b>286.43</b>	<b>0.81</b>
<b>USD/INR</b>	63.87	63.84	<b>0.03</b>	<b>0.05</b>
<b>Dollar Index</b>	90.15	90.37	<b>-0.22</b>	<b>-0.24</b>
<b>Euro/\$1US</b>	1.2226	1.2222	<b>0.0004</b>	<b>0.03</b>
<b>\$1US/Yen</b>	110.98	110.78	<b>0.20</b>	<b>0.18</b>
<b>Pound/\$1US</b>	1.3984	1.3852	<b>0.0132</b>	<b>0.95</b>

## Market Update

- Major stock market indexes finished at records as the Senate approved a procedural bill that clears the way to ending a shutdown of the U.S. government. The S&P 500 rose 22.67 points, or 0.8%, to 2,832.97. The Nasdaq Composite Index was up 71.65 points, or 1%, at 7,408.03.
- Indian market hit fresh record highs for the fourth consecutive session, with underlying sentiment helped by strong earnings results from Reliance Industries and optimism about an improving economy.

## Currency Update

- The U.S. dollar weakened across the board, its decline only interrupted for a brief period ahead of the Senate's vote to end a three-day government shutdown. The ICE U.S. Dollar Index was last down 0.2% at 90.388. The broader WSJ Dollar Index was down 0.2% at 84.31. It also fell 0.4% last week. The euro rose to \$1.2259, up from \$1.2220. Similarly, the British pound strengthened to \$1.3983, up 0.9% compared with \$1.3853. Against the Japanese yen, the dollar was slightly stronger, buying ¥110.95, compared with ¥110.79.
- Snapping its three-session winning run, the rupee ended lower by 3 paise at 63.87 against the US currency following fresh bouts of dollar demand from importers amid the US political jitters. The domestic currency oscillated between a high of 63.71 and a low of 64 a dollar. At the Interbank Foreign Exchange (forex) market, the rupee opened lower at 63.88 as compared to weekend close of 63.84 due to fresh demand for the American currency from importers and banks. It later drifted sharply to hit day's low of 64.00, breaching the key support level on heavy dollar pressure. The local currency, however, made a strong comeback in in later afternoon deals to touch a high of 63.71 before pulling back to settle at 63.87, showing a loss of 3 paise, or 0.05%. The RBI meanwhile fixed the reference rate for the dollar at 63.8895.

Name of the ETF	Holdings In Tonnes As		%Ch
	22-Jan-18	19-Jan-18	
<b>SPDR Gold ETF</b>	846.67	846.67	<b>0.00</b>
<b>iShares Silver Trust</b>	9772.08	9813.15	<b>-0.42</b>

Symbol	22-Jan-18		Ratio
	Close	Close	
<b>Gold v/s Silver</b>	1332	16.989	<b>78.40</b>
<b>Gold v/s Crude Oil</b>	1332	63.57	<b>20.95</b>

Bullion	Closing		% Ch
	22-Jan-18	19-Jan-18	
<b>Gold Apr MCX</b>	29817	29741	<b>0.26</b>
<b>Gold Feb Comex</b>	1332	1333	<b>-0.09</b>
<b>Silver Mar MCX</b>	38979	38969	<b>0.03</b>
<b>Silver Mar Comex</b>	16.989	17.036	<b>-0.28</b>
<b>Energy</b>			
<b>Crude Oil Feb MCX</b>	4045	4042	<b>0.07</b>
<b>Crude Mar Nymex</b>	63.57	63.31	<b>0.41</b>
<b>Natural Gas Feb MCX</b>	188.80	189.50	<b>-0.37</b>
<b>Nat. Gas Feb Henry Hub</b>	3.224	3.185	<b>1.22</b>

## LME Inventories (In Tonnes)

Base Metals	22-Jan-18	19-Jan-18	Change	% Change
<b>Aluminum</b>	1088425	1091850	<b>-3425</b>	<b>-0.31</b>
<b>Copper</b>	211775	211650	<b>125</b>	<b>0.06</b>
<b>Nickel</b>	363168	361500	<b>1668</b>	<b>0.46</b>
<b>Lead</b>	138800	139250	<b>-450</b>	<b>-0.32</b>
<b>Zinc</b>	179950	179975	<b>-25</b>	<b>-0.01</b>

Base Metals	Closing		% Ch
	22-Jan-18	19-Jan-18	
<b>Aluminium Jan</b>	143.55	141.75	<b>1.27</b>
<b>Copper Feb</b>	452.60	450.45	<b>0.48</b>
<b>Nickel Jan</b>	811.10	807.80	<b>0.41</b>
<b>Lead Jan</b>	167.25	165.40	<b>1.12</b>
<b>Zinc Jan</b>	219.90	219.00	<b>0.41</b>

## ECONOMIC CALENDER

Tuesday January 23 2018

Time	Country	Event	Actual	Forecast	Previous
8:44 AM	Japan	<b>BoJ Monetary Policy Statement (YoY)</b>			
8:44 AM	Japan	<b>BoJ Interest Rate Decision</b>	<b>-0.10%</b>	-0.10%	-0.10%
3:30 PM	Germany	<b>German ZEW Current Conditions (Jan)</b>		89.8	89.3
3:30 PM	Germany	<b>German ZEW Economic Sentiment (Jan)</b>		17.8	17.4
3:30 PM	Eurozone	<b>ZEW Economic Sentiment</b>		29.7	29.0
8:30 PM	Eurozone	<b>Consumer Confidence (Jan)</b>		0.6	0.5

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