



COMMODITY REPORT

23 February 2017

ECONOMIC/GLOBAL NEWS

- Crude-oil prices finished lower, snapping a three-session string of gains as concerns about growing output by producers outside of a pact to curtail global production weighed on crude futures. West Texas Intermediate crude oil trading on the New York Mercantile Exchange for April delivery lost 74 cents, or 1.36%, to settle at \$53.59 a barrel. MCX Crude Oil March expiry closed at Rs. 3601 per barrel, down 1.83%.
- Many policy makers on the Federal Reserve back an interest rate hike 'fairly soon' if economy stays on course or strengthens, according to the minutes of the central bank's most recent meeting. However, a number of Fed members said they want the central bank to go slow on raising rates, given uncertainties about the new Trump administration's fiscal and trade proposals.
- U.S. existing home sales surged up by 3.3% to an annual rate of 5.69 million in January after falling by 1.6% to a revised 5.51 million in December.
- The American Petroleum Institute reported a 884,000 barrel decline in U.S. crude supplies for the week ended Feb. 17. API also reported a decline of 893,000 barrels of gasoline and a 4.3 million barrel decline in distillates.
- U.K. gross domestic product advanced 0.7% sequentially in the fourth quarter. In the third quarter, growth was 0.6%. On a yearly basis, GDP growth held steady at 2% in the fourth quarter. In the fourth quarter, services output grew 0.8% from prior quarter, with a notable contribution in consumer focused industries.
- Eurozone inflation rose to 1.8% in January from 1.1% in December. Core inflation held steady at 0.9% in January. On a monthly basis, consumer prices slid 0.8% in January and core inflation fell 1.7%.
- German business sentiment index rose to 111.0 in February, from 109.8 in January. Likewise, the current conditions indicator climbed to 118.4. The expectations index came in at 104 in February versus 103.2 in January.
- Italy's consumer price index climbed 1.0% year-over-year in January instead of a 0.9% rise reported earlier. Core inflation eased slightly to 0.5% in January from 0.6% in the prior month. On a monthly basis, consumer prices rose 0.3% in January, revised up from a 0.2% rise seen in the preliminary report.
- Brazil's monetary policy committee, known as Copom, unanimously decided to slash its Selic rate by 75 basis points to 12.25%. The bank had started easing in October 2016 after inflation showed signs of easing.
- Brazil's consumer confidence index rose by 2.5 points to 81.8 in February from 79.3 in the previous month.

Index	22-Feb-17	21-Feb-17	Pts. Ch.	% Change
Dow	20775.60	20743.00	32.60	0.16
Nifty	8926.90	8907.85	19.05	0.21
Sensex	28864.71	28761.59	103.12	0.36
USD/INR	66.96	66.94	0.02	0.03
Dollar Index	101.19	101.36	-0.1700	-0.17
Euro/\$1US	1.0556	1.0537	0.0019	0.18
\$1US/Yen	113.30	113.69	-0.39	-0.34
Pound/\$1US	1.2451	1.2473	-0.0022	-0.18

Market Update

- The Dow eked out a slight gain to log its best record-setting streak in three decades, but the broader equity benchmarks struggled as Federal Reserve minutes implied that the central bank is comfortable with raising interest rates "fairly soon". The S&P 500 index declined 2.56 points, or 0.1%, to finish at 2,362.82. The Nasdaq Composite Index shed 5.32 points to end at 5,860.63.
- Indian registered modest gains, extending their recent gains on positive global cues.

Currency Update

- The U.S. dollar fell against its major rivals, reversing an earlier advance as the latest commentary from the Federal Reserve indicated a desire to hike rates "fairly soon," but expressed uncertainty about President Donald Trump's fiscal policies. The WSJ Dollar Index was down 0.3% at 91.02, trading nears its lows of the session. The ICE U.S. Dollar Index fell 0.2% to 101.23, having previously risen by about that much. Against its Japanese counterpart, the U.S. currency was changing hands at ¥113.05, compared with ¥113.57, a move of 0.5%. The euro was at \$1.0572, compared with \$1.0546. The euro had earlier dropped to a session low of \$1.0494. The British pound traded at \$1.2462 from \$1.2497.
- Snapping its two-day rising trend, the rupee lost 2 paise to end at 66.96 against the US dollar. The rupee resumed lower at 66.95 as against the Monday's closing level of 66.94 at the Interbank Foreign Exchange market. The domestic unit hovered between 66.87 and 67.01 per dollar before ending at 66.96, showing a loss of 2 paise or 0.03%.

Name of the ETF	Holdings In Tonnes As		%Ch
	22-Feb-17	21-Feb-17	
SPDR Gold ETF	841.17	841.17	0.00
iShares Silver Trust	10428.42	10428.42	0.00

Symbol	22-Feb-17		Ratio
	Close	Close	
Gold v/s Silver	1233	17.950	68.71
Gold v/s Crude Oil	1233	53.59	23.01

Bullion	Closing		% Ch
	22-Feb-17	21-Feb-17	
Gold Apr MCX	29208	29301	-0.32
Gold Apr Comex	1233	1239	-0.45
Silver May MCX	43243	43381	-0.32
Silver Mar Comex	17.950	18.001	-0.28
Energy			
Crude Oil Mar MCX	3601	3668	-1.83
Crude Apr Nymex	53.59	54.33	-1.36
Natural Gas Mar MCX	183.40	183.00	0.22
Nat. Gas Apr Henry Hub	2.701	2.691	0.37

LME Inventories (In Tonnes)

Base Metals	22-Feb-17	21-Feb-17	Change	% Change
Aluminum	2191450	2195375	-3925	-0.18
Copper	219425	221425	-2000	-0.90
Nickel	384000	384900	-900	-0.23
Lead	189800	189800	0	0.00
Zinc	385925	387050	-1125	-0.29

Base Metals	Closing		% Ch
	22 - Feb-17	21-Feb-17	
Aluminium Mar	126.30	125.85	0.36
Copper Apr	406.75	408.50	-0.43
Nickel Mar	722.80	727.80	-0.69
Lead Mar	153.00	152.10	0.59
Zinc Mar	191.35	191.90	-0.29

ECONOMIC CALENDER

Thursday Feb 23, 2017

Time	Country	Event	Actual	Forecast	Previous
12:30 AM	U.S.	FOMC Meeting Minutes			
3:05 AM	U.S.	API Weekly Crude Oil Stock	-0.884M	3.300M	9.940M
12:30 PM	Germany	German GDP (YoY) (Q4)		1.6%	1.2%
12:30 PM	Germany	German GDP (QoQ) (Q4)		0.4%	0.4%
12:30 PM	Germany	GfK German Consumer Climate (Mar)		10.1	10.2
1:15 PM	France	French Business Survey (Feb)		106	106
4:30 PM	U.K.	CBI Distributive Trades Survey (Feb)		5	-8
7:00 PM	U.S.	Continuing Jobless Claims		2,068K	2,076K
7:00 PM	U.S.	Initial Jobless Claims		241K	239K
7:30 PM	U.S.	House Price Index (MoM) (Dec)		0.4%	0.5%
7:30 PM	U.S.	House Price Index (YoY) (Dec)			6.1%
9:00 PM	U.S.	Natural Gas Storage		-85B	-114B
9:30 PM	U.S.	Crude Oil Inventories		3.475M	9.527M
9:30 PM	U.S.	EIA Weekly Distillates Stocks		-0.483M	-0.689M
9:30 PM	U.S.	Gasoline Inventories		-0.888M	2.846M

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