



COMMODITY REPORT

23 August 2017

ECONOMIC/GLOBAL NEWS

- Gold prices fell, as strength in the U.S. dollar pressured the precious metal into giving back all of the previous session's gains and then some. On Tuesday, gold for December delivery fell \$5.70, or 0.4%, to settle at \$1,291 an ounce. MCX Gold October expiry closed at Rs. 29105 per 10 gram, down 0.61%.
- U.S. home prices rose 0.1% in June compared with May, when it grew 0.4%. The quarterly figures showed home prices were up 1.6% in the second quarter from the first and were up 6.6% from a year ago.
- The American Petroleum Institute reported that U.S. crude supplies fell 3.6 million barrels for the week ended Aug. 18, but gasoline stockpiles unexpectedly climbed by 1.4 million barrels. The API data also showed that inventories of distillates rose nearly 2.1 million barrels, sources said.
- U.K. manufacturing firms said order books were robust in August, a balance of +13% of manufacturers reported an increase in order books in August.
- U.K. public sector net borrowing excluding public sector banks was in GBP 0.2 billion surplus, which was the first July surplus since 2002. In July 2016, borrowing was GBP 0.3 billion.
- Eurozone ZEW expectations index decreased by 6.3 points to 29.3 in August. The current economic situation climbed significantly by 9.7 points to 38.4 points in July.
- Germany's ZEW Indicator of Economic Sentiment declined to 10.0 in August from 17.5 in July. The current economic situation index rose to 86.7 in August from 86.4 in July.
- Spain's trade deficit fell to EUR 1.26 billion in June from EUR 1.36 billion in the corresponding month last year. Exports grew 5.7% year-over-year in June and imports rose by 5.0%.
- Japan manufacturing sector continued to expand in August, with a Manufacturing PMI score of 52.8. That's up from 52.1 in July.
- Hong Kong's consumer price inflation climbed 2.0% year-over-year in July, just above the 1.9% rise in June.
- Taiwan's seasonally adjusted jobless rate came in at 3.78% in July, the same rate as in the prior month. The number of unemployed people rose to 446,000 in July from 445,000 in June. A year ago, the jobless figure totaled 463,000.
- Singapore's consumer price inflation rose 0.6% year-over-year in July, just above the 0.5% climb in June. On a monthly basis, consumer prices dropped 0.2% from June, when it fell by 0.1%.
- Malaysia's consumer price inflation rose 3.2% year-over-year in July, slower than the 3.6% climb in June. On a monthly basis, consumer prices edged down 0.1% from June, when it decreased by 0.2%.

Index	22-Aug-17	21-Aug-17	Pts. Ch.	% Change
Dow	21899.89	21703.75	196.14	0.90
Nifty	9765.55	9754.35	11.20	0.11
Sensex	31291.85	31258.85	33.00	0.11
USD/INR	64.10	64.13	-0.03	-0.05
Dollar Index	93.42	93.01	0.41	0.44
Euro/\$1US	1.1762	1.1816	-0.0054	-0.46
\$1US/Yen	109.73	108.98	0.75	0.69
Pound/\$1US	1.2822	1.2901	-0.0079	-0.61

Market Update

- U.S. stocks closed higher, with the Dow industrials and the Nasdaq turning in their best session in months, as a surge in appetite for technology shares and health-care stocks underlined a measure of bullishness returning to markets after a rough patch. The S&P 500 index rose 24.14 points, or 1%, to finish at 2,452.51. The tech-laden Nasdaq Composite Index rallied 84.35 points, or 1.4%, to close at 6,297.48.
- Indian market logged small gains in a range-bound session of trade. European and Asian stocks edged higher.

Currency Update

- The dollar traded flat, relinquishing early gains, as the stock market rallied ahead of what could be a refreshed perspective on global monetary policy later this week when the Kansas City Federal Reserve Bank hosts its annual symposium in Jackson Hole, Wyo. The ICE U.S. Dollar Index traded down less than 0.1% at 93.4950. The broader WSJ Dollar index rose 0.4% to 86.22. The dollar was up 0.6% against the yen at ¥109.58, just below an intraday high of 109.6470, and, compared with ¥108.98. The euro traded at \$1.1763, or 0.5% down, compared with \$1.1816. Meanwhile, the British pound also slipped 0.6% against the dollar at \$1.2820, versus \$1.2900.
- The rupee strengthened by 3 paise to close at near two-week high of 64.10 against the US currency on dollar selling by exporters and corporates. The rupee resumed firm at 64.09 from overnight close of 64.13 at the Interbank Foreign Exchange (Forex) market on fresh selling of the US currency by exporters and advanced to 64.05 in day trade. However, it fell back in afternoon trade to a low of 64.14 tracking a drop in stocks and a strong dollar abroad, but managed to regain strength towards the fag-end. It settled at 64.10, showing a gain of 3 paise, 0.05%. The RBI fixed the reference rate for the dollar at 64.1099.

Name of the ETF	Holdings In Tonnes As		%Ch
	22-Aug-17	21-Aug-17	
SPDR Gold ETF	799.29	799.29	0.00
iShares Silver Trust	10401.24	10401.24	0.00

Symbol	22-Aug-17		Ratio
	Close	Close	
Gold v/s Silver	1291	16.982	76.02
Gold v/s Crude Oil	1291	47.83	26.99

Bullion	Closing		% Ch
	22-Aug-17	21-Aug-17	
Gold Oct MCX	29105	29283	-0.61
Gold Dec Comex	1291	1297	-0.44
Silver Sep MCX	38939	39088	-0.38
Silver Sep Comex	16.982	17.015	-0.19
Energy			
Crude Oil Sep MCX	3072	3065	0.23
Crude Oct Nymex	47.83	47.53	0.63
Natural Gas Aug MCX	188.70	190.30	-0.84
Nat. Gas Sep Henry Hub	2.939	2.962	-0.78

LME Inventories (In Tonnes)

Base Metals	22-Aug-17	21-Aug-17	Change	% Change
Aluminum	1308725	1298225	10500	0.81
Copper	255700	261700	-6000	-2.29
Nickel	385536	384594	942	0.24
Lead	147450	147950	-500	-0.34
Zinc	247150	247850	-700	-0.28

Base Metals	Closing		% Ch
	22-Aug-17	21-Aug-17	
Aluminium Aug	131.95	132.60	-0.49
Copper Aug	422.05	421.90	0.04
Nickel Aug	731.00	724.90	0.84
Lead Aug	153.75	149.50	2.84
Zinc Aug	199.60	200.25	-0.32

ECONOMIC CALENDER

Wednesday August 23 2017

Time	Country	Event	Actual	Forecast	Previous
2:05 AM	U.S.	API Weekly Crude Oil Stock	-3.595M	-3.400M	-9.200M
6:00 AM	Japan	Manufacturing PMI (Aug)	52.8	52.3	52.1
12:30 PM	France	French Manufacturing PMI (Aug)		54.5	54.9
12:30 PM	Eurozone	French Markit Composite PMI (Aug)		55.5	55.6
12:30 PM	France	French Services PMI (Aug)		55.8	56.0
12:30 PM	Eurozone	ECB President Draghi Speaks			
1:00 PM	Germany	German Composite PMI (Aug)		54.7	54.7
1:00 PM	Germany	German Manufacturing PMI (Aug)		57.7	58.1
1:00 PM	Germany	German Services PMI (Aug)		53.3	53.1
1:30 PM	Eurozone	Manufacturing PMI (Aug)		56.3	56.6
1:30 PM	Eurozone	Markit Composite PMI (Aug)		55.5	55.7
1:30 PM	Eurozone	Services PMI (Aug)		55.4	55.4
7:15 PM	U.S.	Manufacturing PMI (Aug)		53.3	53.3
7:15 PM	U.S.	Services PMI (Aug)		54.9	54.7
7:30 PM	U.S.	New Home Sales (MoM) (Jul)		0.5%	0.8%
7:30 PM	U.S.	New Home Sales (Jul)		612K	610K
7:30 PM	U.S.	New Home Sales (MoM) (Jul)		0.3%	0.8%
7:30 PM	Eurozone	Consumer Confidence (Aug)		-1.8	-1.7
8:00 PM	U.S.	Crude Oil Inventories		-3.450M	-8.945M
8:00 PM	U.S.	EIA Weekly Distillates Stocks		0.093M	0.702M
8:00 PM	U.S.	Gasoline Inventories		-0.643M	0.022M

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