



# COMMODITY REPORT

24 August 2017

## ECONOMIC/GLOBAL NEWS

- An eighth consecutive weekly decline in U.S. crude supplies lifted oil prices, but domestic production continued its climb to levels not seen since July 2015—setting a limit on crude's price strength. October West Texas Intermediate crude tacked on 58 cents, or 1.2%, to settle at \$48.41 a barrel on the New York Mercantile Exchange. The U.S. Energy Information Administration showed that domestic crude supplies fell by 3.3 million barrels for the week ended Aug. 18, following declines in each of the last seven weeks. Gasoline stockpiles were down 1.2 million barrels for the week, while distillate stockpiles remained unchanged, according to the EIA. MCX Crude Oil September expiry closed at Rs. 3107 per barrel, up 1.14%.
- U.S. new home sales plunged by 9.4% to an annual rate of 571,000 in July from the revised June rate of 630,000.
- U.S. IHS Markit flash composite PMI rose to 56 in August from 54.6 in July. The flash services business activity Index rose to 56.9 in August from 54.7 in July. The flash manufacturing PMI fell to 52.5 in August, down from 53.3 a month earlier.
- Eurozone flash composite output index rose slightly to 55.8 in August from 55.7 in July. The flash manufacturing PMI climbed to 57.4 in August from 56.6 in July. At the same time, the services PMI dropped to a 7-month low of 54.9 in August from 55.4 in July.
- Eurozone consumer confidence rose by 0.2 points to -1.5 in August, unchanged from the previous month at -2.3.
- Germany's composite output index climbed to a 2-month high of 55.7 in August from 54.7 in July. The flash services PMI rose to 53.4 from 53.1 in July. Similarly, the factory PMI increased to 59.4 in August from 58.1 in July.
- French composite output index came in at 55.6 in August, the same reading as in July. The services PMI fell to a 7-month low to 55.5 in August from 56.0 in July. Meanwhile, the manufacturing PMI climbed to a 76-month high of 55.8 in August from 54.9 in the prior month.
- Taiwan's industrial production climbed a rose 2.38% year-over-year in July, slower than the 3.53% climb in June. On a monthly basis, industrial production edged down a seasonally adjusted 0.09% from June, when it increased by 2.81%.
- South Africa's consumer price inflation climbed 4.6% year-over-year in July, slower than the 5.1% rise in June. On a monthly basis, consumer prices increased 0.3% in July, in line with expectations.

Index	23-Aug-17	22-Aug-17	Pts. Ch.	% Change
<b>Dow</b>	21812.09	21899.89	<b>-87.80</b>	<b>-0.40</b>
<b>Nifty</b>	9852.50	9765.55	<b>86.95</b>	<b>0.89</b>
<b>Sensex</b>	31568.01	31291.85	<b>276.16</b>	<b>0.88</b>
<b>USD/INR</b>	64.11	64.10	<b>0.01</b>	<b>0.02</b>
<b>Dollar Index</b>	93.14	93.46	<b>-0.32</b>	<b>-0.34</b>
<b>Euro/\$1US</b>	1.1816	1.1762	<b>0.0054</b>	<b>0.46</b>
<b>\$1US/Yen</b>	108.90	109.57	<b>-0.67</b>	<b>-0.61</b>
<b>Pound/\$1US</b>	1.2804	1.2824	<b>-0.0020</b>	<b>-0.16</b>

## Market Update

- U.S. stocks closed lower on light volume, with the main indexes undoing some of the solid gains from the previous session as investors turned their attention to the Jackson Hole, Wyo., meeting of global central bankers and digested comments from President Donald Trump's Tuesday night rally in Phoenix. The S&P 500 index fell 8.47 points, or 0.4%, to 2,444.04. The technology-laden Nasdaq Composite Index declined 19.07 points, or 0.3%, to 6,278.41.
- Indian market registered impressive gains on renewed hopes of US tax reform by the Trump administration.

## Currency Update

- The U.S. dollar weakened against the euro, the Japanese yen and the Swiss franc on Wednesday, as U.S. trade and domestic policy issues reclaimed center stage and questions about the prospects for tax reform resurfaced. The ICE U.S. Dollar Index was unchanged at 93.1470. The broader WSJ Dollar index lost 0.3% at 85.99. The greenback dipped against the yen as investors fled to assets considered havens. The dollar was worth ¥108.94, compared with ¥109.57. The dollar, however, rose against the pound with one pound fetching \$1.2804, down from \$1.2823. The British currency dipped to an intraday low of \$1.2780.
- The rupee slipped by 1 paise to close at 64.11 against the US currency due to renewed dollar demand from banks and corporates. The local currency opened higher at 64.04 against last close of 64.10 at the interbank foreign exchange market on sustained selling of dollar by exporters and banks. After trading in a tight range most part of the day, the local unit retreated sharply to hit fresh low of 64.14 in late afternoon-trade before settling at 64.11, showing a modest loss of 1 paise, or 0.02%. The RBI fixed the reference rate for the dollar at 64.1272.

Name of the ETF	Holdings In Tonnes As		%Ch
	23-Aug-17	22-Aug-17	
<b>SPDR Gold ETF</b>	799.29	799.29	<b>0.00</b>
<b>iShares Silver Trust</b>	10401.24	10401.24	<b>0.00</b>

Symbol	23-Aug-17		Ratio
	Close	Close	
<b>Gold v/s Silver</b>	1295	17.046	<b>75.95</b>
<b>Gold v/s Crude Oil</b>	1295	48.41	<b>26.74</b>

Bullion	Closing		% Ch
	23-Aug-17	22-Aug-17	
<b>Gold Oct MCX</b>	29164	29105	<b>0.20</b>
<b>Gold Dec Comex</b>	1295	1291	<b>0.29</b>
<b>Silver Sep MCX</b>	39074	38939	<b>0.35</b>
<b>Silver Sep Comex</b>	17.046	16.982	<b>0.38</b>
<b>Energy</b>			
<b>Crude Oil Sep MCX</b>	3107	3072	<b>1.14</b>
<b>Crude Oct Nymex</b>	48.41	47.83	<b>1.21</b>
<b>Natural Gas Sep MCX</b>	190.60	191.30	<b>-0.37</b>
<b>Nat. Gas Sep Henry Hub</b>	2.928	2.939	<b>-0.37</b>

## LME Inventories (In Tonnes)

Base Metals	23-Aug-17	22-Aug-17	Change	% Change
<b>Aluminum</b>	1314475	1308725	<b>5750</b>	<b>0.44</b>
<b>Copper</b>	249525	255700	<b>-6175</b>	<b>-2.41</b>
<b>Nickel</b>	385974	385536	<b>438</b>	<b>0.11</b>
<b>Lead</b>	147250	147450	<b>-200</b>	<b>-0.14</b>
<b>Zinc</b>	246650	247150	<b>-500</b>	<b>-0.20</b>

Base Metals	Closing		% Ch
	23-Aug-17	22-Aug-17	
<b>Aluminium Aug</b>	133.90	131.95	<b>1.48</b>
<b>Copper Aug</b>	421.55	422.05	<b>-0.12</b>
<b>Nickel Aug</b>	750.50	731.00	<b>2.67</b>
<b>Lead Aug</b>	151.65	153.75	<b>-1.37</b>
<b>Zinc Aug</b>	198.70	199.60	<b>-0.45</b>

## ECONOMIC CALENDER

Thursday August 24 2017

Time	Country	Event	Actual	Forecast	Previous
12:15 PM	France	<b>French Business Survey (Aug)</b>		108	109
12:15 PM	France	<b>French Industrial Investments (Q3)</b>			6.0%
2:00 PM	U.K.	<b>GDP (QoQ) (Q2)</b>		0.3%	0.3%
2:00 PM	U.K.	<b>GDP (YoY) (Q2)</b>		1.7%	1.7%
2:00 PM	U.K.	<b>Index of Services</b>		0.5%	0.4%
3:30 PM	U.K.	<b>CBI Distributive Trades Survey (Aug)</b>		15	22
6:00 PM	U.S.	<b>Continuing Jobless Claims</b>		1,950K	1,953K
6:00 PM	U.S.	<b>Initial Jobless Claims</b>		238K	232K
7:30 PM	U.S.	<b>Existing Home Sales (MoM) (Jul)</b>		0.9%	-1.8%
7:30 PM	U.S.	<b>Existing Home Sales (Jul)</b>		5.57M	5.52M
8:00 PM	U.S.	<b>Natural Gas Storage</b>		45B	53B

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