



# COMMODITY REPORT

25 January 2018

## ECONOMIC/GLOBAL NEWS

- Gold prices rallied to their highest finish in more than a year, as Trump administration comments favoring a weaker dollar knocked the U.S. currency to three-year lows and buoyed the yellow metal. February gold gained \$19.60, or 1.47%, to settle at \$1,356.30 an ounce-the highest finish for a most-active futures contract since Aug. 18, 2016. MCX Gold April expiry closed at Rs. 30216 per 10 gram, up 1.14%.
- U.S. adjusted for seasonal influences the headline HIS Markit Flash Manufacturing PMI rose to 55.5 in January, from 55.1 in December. The seasonally adjusted IHS Markit Flash U.S. Composite PMI Output Index came at 53.8 in January, down from 54.1 in December. The seasonally adjusted IHS Markit Flash U.S. Services PMI Business Activity Index registered 53.3 in January, down slightly from 53.7 in December.
- U.S. existing home sales tumbled by 3.6% to an annual rate of 5.57 million in December after jumping by 5.1% to a revised 5.78 million in November.
- U.S. house prices rose in November by 0.4% from the previous month. The previously reported 0.5% increase in the Housing Price Index (HPI) for October was revised upward to 0.6%. From November 2016 to November 2017, house prices were up 6.5%.
- The U.S. Energy Information Administration reported that domestic crude supplies fell 1.1 million barrels for the week ended Jan. 19. Gasoline stockpiles, however, climbed by 3.1 million barrels for the week, while distillate stockpiles rose 600,000 barrels.
- U.K. jobless rate came in at 4.3% in three months to November, the same rate as in three months to August. The claimant count increased by a seasonally adjusted 8,600 in December, following a rise of 12,200 a month earlier.
- Eurozone composite output index rose unexpectedly to 58.6 in January from 58.1 in December. The services PMI came in at 57.6, up from 56.6 in December. The factory PMI declined to 59.6 from 60.6 in December.
- Germany's composite output index dropped slightly to 58.8 in January from December's 80-month high of 58.9. The services PMI climbed unexpectedly to 57.0 from 55.8 a month ago. On the other hand, the factory PMI fell to 61.2 from 63.3 in December.
- France's composite output index came in at 59.7 in January, shy of November's six-and-a-half year peak of 60.3. The services PMI rose unexpectedly to 59.3 from 59.1 in December. Meanwhile, the factory PMI fell more-than-expected to 58.1 from 58.8 in December.

Index	24-Jan-18	23-Jan-18	Pts. Ch.	% Change
<b>Dow</b>	26252.12	26210.81	<b>41.31</b>	<b>0.16</b>
<b>Nifty</b>	11086.00	11083.70	<b>2.30</b>	<b>0.02</b>
<b>Sensex</b>	36161.64	36139.98	<b>21.66</b>	<b>0.06</b>
<b>USD/INR</b>	63.69	63.77	<b>-0.08</b>	<b>-0.13</b>
<b>Dollar Index</b>	89.02	89.92	<b>-0.90</b>	<b>-1.00</b>
<b>Euro/\$1US</b>	1.2393	1.2299	<b>0.0094</b>	<b>0.76</b>
<b>\$1US/Yen</b>	109.32	110.31	<b>-0.99</b>	<b>-0.90</b>
<b>Pound/\$1US</b>	1.4221	1.4001	<b>0.0220</b>	<b>1.57</b>

## Market Update

- U.S. stocks retreated from record territory as technology names came under pressure, but the Dow managed to buck the trend to close higher on the back of a few blue-chip financial shares. The S&P 500 index shed 1.59 points to 2,837.54, while the Nasdaq Composite Index fell 45.23 points, or 0.6%, to 7,415.06.
- Indian market closed the lackluster trading session on a flat note. The Sensex and the Nifty, hit record highs in intraday trade as well as on closing basis. The movements for the two key indices remain confined to a narrow range around the flat line as investors searched for direction after a stellar rally in the past few trading sessions.

## Currency Update

- The dollar suffered a renewed selloff, with a key dollar index deepening its protracted descent to a three-year low after U.S. Treasury Secretary Steven Mnuchin said a weaker greenback is good for trade. The ICE U.S. Dollar Index slid 1% to 89.245. The broader WSJ U.S. Dollar Index was down 0.9% at 83.29. The euro rose to \$1.2401 from \$1.2298. The pound jumped as high as \$1.4214, and last traded at \$1.4214 from \$1.4000. The greenback also declined against the yen, buying ¥109.17 compared with ¥110.31.
- Hardening its bullish stance, the rupee strengthened by another 8 paise to close at a new one-week high 63.69 on sustained selling of the US currency by exporters amid dollar's weakness due to fresh trade worries. The home currency, though, witnessed tight range-bound trade and moved between 63.61 and 63.73 most part of the day. At the Interbank Foreign Exchange (forex) market, the rupee opened higher at 63.73 against Tuesday's close of 63.77 on bout of weakness in the US dollar. It accelerated further to hit a high of 63.61 in mid-morning deals but traded stubbornly narrow-range before concluding the day at 63.69, revealing a good gain of 8 paise, or 0.13%. The RBI fixed the reference rate for the dollar at 63.6439.

Name of the ETF	Holdings In Tonnes As		%Ch
	24-Jan-18	23-Jan-18	
<b>SPDR Gold ETF</b>	849.32	849.32	<b>0.00</b>
<b>iShares Silver Trust</b>	9736.88	9736.88	<b>0.00</b>

Symbol	24-Jan-18		Ratio
	Close	Close	
<b>Gold v/s Silver</b>	1356	17.489	<b>77.55</b>
<b>Gold v/s Crude Oil</b>	1356	65.61	<b>20.67</b>

Bullion	Closing		% Ch
	24-Jan-18	23-Jan-18	
<b>Gold Apr MCX</b>	30216	29874	<b>1.14</b>
<b>Gold Feb Comex</b>	1356	1337	<b>1.47</b>
<b>Silver Mar MCX</b>	39707	38733	<b>2.51</b>
<b>Silver Mar Comex</b>	17.489	16.913	<b>3.41</b>
<b>Energy</b>			
<b>Crude Oil Feb MCX</b>	4136	4110	<b>0.63</b>
<b>Crude Mar Nymex</b>	65.61	64.47	<b>1.77</b>
<b>Natural Gas Feb MCX</b>	195.50	194.70	<b>0.41</b>
<b>Nat. Gas Mar Henry Hub</b>	3.080	3.039	<b>1.35</b>

## LME Inventories (In Tonnes)

Base Metals	24-Jan-18	23-Jan-18	Change	% Change
<b>Aluminum</b>	1087850	1086200	<b>1650</b>	<b>0.15</b>
<b>Copper</b>	276675	248075	<b>28600</b>	<b>11.53</b>
<b>Nickel</b>	362196	362868	<b>-672</b>	<b>-0.19</b>
<b>Lead</b>	138175	138600	<b>-425</b>	<b>-0.31</b>
<b>Zinc</b>	179475	179550	<b>-75</b>	<b>-0.04</b>

Base Metals	Closing		% Ch
	24-Jan-18	23-Jan-18	
<b>Aluminium Feb</b>	142.85	142.00	<b>0.60</b>
<b>Copper Feb</b>	454.10	439.95	<b>3.22</b>
<b>Nickel Feb</b>	860.50	820.50	<b>4.88</b>
<b>Lead Feb</b>	168.00	166.75	<b>0.75</b>
<b>Zinc Feb</b>	219.65	218.45	<b>0.55</b>

## ECONOMIC CALENDER

Thursday January 25 2018

Time	Country	Event	Actual	Forecast	Previous
12:30 PM	Germany	<b>GfK German Consumer Climate (Feb)</b>		10.8	10.8
2:30 PM	Germany	<b>German Business Expectations (Jan)</b>		109.4	109.5
2:30 PM	Germany	<b>German Current Assessment (Jan)</b>		125.4	125.4
2:30 PM	Germany	<b>German Ifo Business Climate Index (Jan)</b>		117.1	117.2
6:15 PM	Eurozone	<b>Deposit Facility Rate</b>		-0.40%	-0.40%
6:15 PM	Eurozone	<b>ECB Interest Rate Decision (Jan)</b>		0.00%	0.00%
7:00 PM	U.S.	<b>Continuing Jobless Claims</b>		1,925K	1,952K
7:00 PM	U.S.	<b>Goods Trade Balance (Dec)</b>		-68.60B	-70.00B
7:00 PM	U.S.	<b>Initial Jobless Claims</b>		236K	220K
7:00 PM	U.S.	<b>Wholesale Inventories (MoM)</b>		0.3%	0.8%
8:30 PM	U.S.	<b>New Home Sales (MoM) (Dec)</b>		-7.9%	17.5%
8:30 PM	U.S.	<b>New Home Sales (Dec)</b>		676K	733K
9:00 PM	U.S.	<b>Natural Gas Storage</b>		-272B	-183B

## DISCLAIMER

This document has been prepared by ICFL (100% Subsidiary Company of Shriram Insight Share Brokers Ltd) and is meant for sole use by the recipient and not for circulation. This document is not to be reported or copied or made available to others. The information contained herein is from sources believed reliable. It should not be considered to be taken as an offer to sell or a solicitation to buy and sell any Commodity or as an official confirmation of any transaction. We do not represent that it is accurate or complete and it should not be relied upon as such. This document is prepared for assistance only and is not intended to be and must not alone be taken as the basis for an investment decision. The investments discussed or recommended in this report may not be suitable for all investors. ICFL (100% Subsidiary Company of Shriram Insight Share Brokers Ltd) Recommendation Service is a general recommendation service and is not to be construed as an individual investor specific Portfolio Management and Advisory Service.

The user assumes the entire risk of any use made of this information. Each recipient of this document should arrive at an independent evaluation of an investment in the Commodities to in this document and should consult its own advisors to determine the merits and risks of such an investment.

ICFL (100% Subsidiary Company of Shriram Insight Share Brokers Ltd) shall not be responsible for any loss or liability incurred to the user as a consequence of his or any other person on his behalf taking any investment decisions based on the information, recommendations, research reports, analysis, quotes, etc. provided on the web site.

ICFL (100% Subsidiary Company of Shriram Insight Share Brokers Ltd) shall also not be liable for errors, omissions or typographical errors, disruption delay, interruption, failure, deletion or defect of/in the Service provided by it.

All Users of the Service in countries other than India understand that by using the Service, they may be violating the local laws in such countries. If the User chooses to access the Service from outside India, he shall be responsible for compliance with foreign and local laws