



COMMODITY REPORT

27 October 2017

ECONOMIC/GLOBAL NEWS

- Oil prices inched higher on Thursday, amid tightening market expectations, buoyed by comments from Saudi Arabia's Crown Prince backing the extension of OPEC-led output cuts. crude futures were at \$52.64 per barrel, inching up 0.88%.
- U.S. economic growth probably slowed in the third quarter as hurricanes Harvey and Irma restrained consumer spending and undercut construction activity, but underlying momentum likely remained strong amid robust business investment on equipment.
- According to a Reuters survey of economists, gross domestic product likely increased at a 2.5 percent annual rate in the July-September period after a brisk 3.1 percent pace in the second quarter.
- US Initial claims for state unemployment benefits increased 10,000 to a seasonally adjusted 233,000 for the week ended Oct. 21. However the four-week moving average of the so-called continuing claims fell 4,500 to 1.90 million, the lowest reading since January 1974.
- US National Association of Realtors said on Thursday its Pending Home Sales Index, based on contracts signed last month, was unchanged with a reading of 106.0. August's index was revised lower.
- U.S. auto sales in October likely fell close to 4 percent from the same month in 2016. October U.S. new vehicle sales will be about 1.32 million units, a drop of almost 3.7 percent from 1.37 million units a year earlier.
- Growth in euro zone corporate lending picked up last month, ending growth to businesses, a key plank in euro zone's recovery, rose to 2.5 percent in September from 2.4 percent in August while household lending was steady at 2.7. The annual growth rate of the M3 measure of money supply, seen by some as a precursor of economic activity, rose to 5.1 percent last month from 5.0 percent, beating expectations for 5.0 percent.
- British retail sales plummeted in October at the fastest pace since early 2009, when Britain was last mired in recession. The CBI's monthly retail sales balance slid to -36 from September's two-year high of +42, marking its lowest level since March 2009.
- British construction companies applied to build the greatest number of new homes in a decade during the three months to the end of September. Builders registered in the third quarter of 2017 that they planned to build 37,936 homes, 9 percent more than during the same period last year and the highest third-quarter total since 2007.
- British retailers cut jobs over the past three months at the fastest rate since comparable records began in 2008, due to technological change and rising employment costs. The BRC, said its members employed 3.0 percent fewer staff in the third quarter of this year than during the same time in 2016, and total hours worked fell by 4.2 percent year-on-year.
- Japan's core consumer prices marked a ninth straight month of annual gains in September but failed to accelerate from the previous month, underscoring the central bank's huge task as it struggles to meet an ever-elusive 2 percent inflation target. The nationwide core consumer price index, which includes oil products but excludes volatile fresh food prices, rose 0.7 percent in September from a year earlier.

Index	26-Oct-17	25-Oct-17	Pts. Ch.	% Change
Dow	23400.86	23329.46	71.40	0.31
Nifty	10343.80	10295.35	48.45	0.47
Sensex	33147.13	33042.50	104.63	0.32
USD/INR	64.82	65.02	-0.20	-0.31
Dollar Index	94.55	93.53	1.0200	1.09
Euro/\$1US	1.1638	1.1820	-0.02	-1.54
\$1US/Yen	114.12	113.58	0.5400	0.48
Pound/\$1US	1.3130	1.3273	-0.0143	-1.08

Market Update

- U.S. stocks ended mostly higher on Thursday as a fusillade of better-than-expected corporate results helped to reinvigorate Wall Street buying appetite a day after the S&P 500 and the Dow posted their biggest drops in more than seven weeks. The Dow Jones Industrial Average DJIA, rose 71.40 points, or 0.3%, to 23,400.86. The S&P 500 SPX, gained 3.25 points, or 0.1%, at 2,560.40, while the Nasdaq Composite Index COMP, edged down 7.12 points, or 0.1%, at 6,556.77.
- The U.S. dollar rallied against its major rivals on Thursday, most notably against the euro, after the European Central Bank announced it would reduce the size of its monthly asset purchases come January 2018, while extending the bond buying through at least September. The ICE U.S. Dollar Index DXY, which tracks the buck's performance against six currencies, was 1% higher at 94.55. The euro EURUSD, slipped to \$1.1638, from \$1.1820 from Wednesday. Against the Japanese yen USDJPY, the dollar bought ¥114.12, up slightly from ¥113.58 from Wednesday. The British pound GBPUSD, slipped to \$1.3130, down from \$1.3273 from Wednesday.

Currency Update

- Key benchmark indices settled with modest gains in a volatile session of trade as firmness in European stocks supported gains on the bourses. The barometer index, the S&P BSE Sensex rose 104.63 points or 0.32% to settle at 33,147.13. The Nifty 50 index advanced 48.45 points or 0.47% to settle at 10,343.80. The Sensex and the Nifty hit record closing highs. Market gained for the fourth straight session. Volatility was witnessed during the session as near month derivatives contracts expired on 26 October 2017.
- Brushing aside initial volatility, the rupee made a strong comeback by recovering 18 paise against the US dollar to end at a fresh one-week high of 64.82 on late selling of the greenback by exporters and corporates.

Name of the ETF	Holdings In Tonnes As		%Ch
	26-Oct-17	25-Oct-17	
SPDR Gold ETF	851.95	853.13	-0.14
iShares Silver Trust	9962.09	9962.09	0.00

Symbol	26-Oct-17		Ratio
	Close	Close	
Gold v/s Silver	1270	16.811	75.52
Gold v/s Crude Oil	1270	52.64	24.12

Bullion	Closing		% Ch
	26-Oct-17	25-Oct-17	
Gold Dec MCX	29270	29394	-0.42
Gold Dec Comex	1270	1279	-0.73
Silver Dec MCX	39272	39484	-0.54
Silver Dec Comex	16.811	16.925	-0.67
Energy			
Crude Oil Nov MCX	3428	3384	1.30
Crude Dec Nymex	52.64	52.18	0.88
Natural Gas Nov MCX	200.50	201.60	-0.55
Nat. Gas Dec Henry Hub	3.051	3.082	-1.01

LME Inventories (In Tonnes)

Base Metals	26-Oct-17	25-Oct-17	Change	% Change
Aluminum	1191550	1195525	-3975	-0.33
Copper	275575	279400	-3825	-1.37
Nickel	385956	387948	-1992	-0.51
Lead	148450	148725	-275	-0.18
Zinc	262400	264150	-1750	-0.66

Base Metals	Closing		% Ch
	26-Oct-17	25-Oct-17	
Aluminium Nov	142.45	141.90	0.39
Copper Nov	456.95	456.35	0.13
Nickel Nov	766.80	770.80	-0.52
Lead Nov	161.45	161.30	0.09
Zinc Nov	211.50	210.85	0.31

ECONOMIC CALENDER

Friday October 27 2017

Time	Country	Event	Actual	Forecast	Previous
5:00 AM	Japan	National Core CPI (YoY) (Sep)	0.7%	0.8%	0.7%
5:00 AM	Japan	National CPI (YoY) (Sep)	0.7%	0.7%	0.7%
6:00 AM	Australia	PPI (QoQ) (Q3)	0.2%	0.4%	0.5%
6:00 AM	Australia	PPI (YoY) (Q3)			1.7%
11:30 AM	Germany	German Import Price Index (MoM) (Sep)	0.9%	0.4%	0.0%
11:30 AM	Germany	German Import Price Index (YoY) (Sep)	3.0%	2.5%	2.1%
12:15 PM	France	French Consumer Confidence (Oct)		101	101
6:00 PM	U.S.	GDP (QoQ) (Q3)		2.6%	3.1%
7:30 PM	U.S.	Michigan Consumer Sentiment (Oct)		100.8	101.1

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