SHRIRAM Insight

SMART
Shriram Market Analysis & Research Team

COMMODITY REPORT

28 February 2017

ECONOMIC/GLOBAL NEWS

- Natural gas prices dropped as forecasts for warmer weather dulls demand prospects for the fuel. April natural gas lost 9.4 cents, or 3.37%, to $2.693 per million British thermal units. MCX Natural Gas March expiry closed at Rs. 179.70 per British thermal unit, down 5.47%.
- U.S. durable goods orders surged up by 1.8% in January after falling by a revised 0.8% in December. Core durable goods orders edged down by 0.2% in January following a revised 0.9% advance in December
- U.S. pending home sales index tumbled by 2.8% to 106.4 in January after climbing by 0.8% to a revised 109.5 in December.
- U.K. consumer confidence weakened further in February, with an index score of -6, down from -5 in January.
- Eurozone economic sentiment index rose marginally to 108.0 in February from 107.9 in January. The industrial confidence index came in at 1.3 in February versus 0.8 in the prior month. The services confidence index climbed to 13.8 from 12.8. The consumer sentiment indicator declined to -6.2, in line with flash estimate, from -4.8 in January. The business confidence index improved to 0.82 in February from 0.76 in the prior month.
- Eurozone monetary aggregate M3 grew 4.9% year-on-year in January, slightly slower than the 5% increase seen in December. At the same time, the annual growth in loans to households improved to 2.2% from 2% in December.
- Spain's consumer price inflation held steady at 3% in February. This was the sixth consecutive rise in prices and the highest since October 2012, when prices had grown 3.5%. On a monthly basis, consumer prices dropped 0.3% in February after easing 0.5% in January.
- Australia had a seasonally adjusted current account deficit of A$3.853 billion in the fourth quarter of 2016, following the A$10.2 billion shortfall in the three months prior.
- Japan's industrial output fell 0.8% on month in January, following the 0.7% gain in December. On a yearly basis, industrial production climbed 3.2% - unchanged from the previous month.
- Japan retail sales were up a seasonally adjusted 0.5% on month in January, dropping an upwardly revised 1.6% in December (originally -1.7%). On a yearly basis, retail sales advanced 1.0% - up from 0.6% in the previous month.
- Hong Kong's trade deficit narrowed to HK$12.34 billion in January from HK$17.48 billion in the corresponding month last year. In December, the shortfall was HK$45.5 billion. Exports dropped 1.2% year-over-year in January and imports slid by 2.7%.

Index	27-Feb-17	24-Feb-17	Pts. Ch.	% Change
Dow	20837.44	20821.76	**15.68**	**0.08**
Nifty	8896.70	CLOSED	-	-
Sensex	28812.88	CLOSED	-	-
USD/INR	66.71	CLOSED	-	-
Dollar Index	101.13	101.09	**0.04**	**0.04**
Euro/$1US	1.0588	1.0563	**0.0025**	**0.24**
$1US/Yen	112.70	112.19	**0.51**	**0.45**
Pound/$1US	1.2444	1.2468	**-0.0024**	**-0.19**

Market Update

- U.S. stocks overcame early weakness to push further into record territory, with the Dow industrials posting a 12th straight record close as investors await a speech Tuesday night by President Donald Trump. The S&P 500 advanced 2.39 points, or 0.1%, to close at a record 2,369.73. The Nasdaq Composite Index gained 16.59 points, or 0.3%, to close at 5,861.90.
- Indian market edged lower after a volatile session of trade as profit booking set in after previous six sessions' of gains.

Currency Update

- The U.S. dollar was little-changed as investors looked ahead to economic data and an address by President Donald Trump, both of which could dictate whether the buck's recent strength is likely to persist. The WSJ Dollar Index was up 0.1% at 91.00. The U.S. Dollar index traded at 101.14, a rise of less than 0.1%. The greenback was changing hands at ¥112.79 from ¥112.19, a move of about 0.5%. The euro was trading at $1.0587, from $1.0562. Sterling dipped to as low as $1.2384, from $1.2460. It last traded at $1.2438, a move of about 0.3%.
- The rupee strengthened further to end at a fresh 3-1/2 month high of 66.71, appreciating by 12 paise on the back of sustained selling of the American dollar by exporters and banks. The home unit resumed firmly higher at 66.75 from last Thursday's closing value of 66.83 at the Interbank Foreign Exchange market and gained further ground to hit an intra-day high of 66.6450 before ending at 66.71, showing a rise of 12 paise, or 0.18%. The RBI fixed the reference rate for the dollar at 66.7249.

Name of the ETF	Holdings In Tonnes As		%Ch
	27-Feb-17	24-Feb-17	
SPDR Gold ETF	841.17	841.17	**0.00**
iShares Silver Trust	10428.42	10428.42	**0.00**

Symbol	27-Feb-17		Ratio
	Close	Close	
Gold v/s Silver	1259	18.417	**68.35**
Gold v/s Crude Oil	1259	54.05	**23.29**

Bullion	Closing		% Ch
	27-Feb-17	24-Feb-17	
Gold Apr MCX	29710	29623	**0.29**
Gold Apr Comex	1259	1258	**0.04**
Silver May MCX	44007	43893	**0.26**
Silver May Comex	18.417	18.406	**0.06**
Energy			
Crude Oil Mar MCX	3623	3615	**0.22**
Crude Apr Nymex	54.05	53.99	**0.11**
Natural Gas Mar MCX	179.70	190.10	**-5.47**
Nat. Gas Apr Henry Hub	2.693	2.787	**-3.37**

LME Inventories (In Tonnes)				
Base Metals	27-Feb-17	24-Feb-17	Change	% Change
Aluminum	2209550	2181675	27875	1.28
Copper	206875	210800	-3925	-1.86
Nickel	378612	379680	-1068	-0.28
Lead	190325	190325	0	0.00
Zinc	385900	381425	4475	1.17

Base Metals	Closing		% Ch
	27 - Feb-17	24-Feb-17	
Aluminium Mar	126.90	125.95	0.75
Copper Apr	398.40	397.25	0.29
Nickel Mar	739.20	729.00	1.40
Lead Mar	151.10	151.15	-0.03
Zinc Mar	187.65	189.15	-0.79

ECONOMIC CALENDER

Tuesday Feb 28, 2017					
Time	Country	Event	Actual	Forecast	Previous
5:20 AM	Japan	**Industrial Production (MoM) (Jan)**	-0.8%	0.3%	0.7%
5:20 AM	Japan	**Retail Sales (YoY) (Jan)**	1.0%	0.9%	0.6%
5:31 AM	U.K.	**GfK Consumer Confidence (Feb)**	-6	-6	-5
6:00 AM	Australia	**Current Account (Q4)**	3.9B	-3.6B	-11.4B
1:15 PM	France	**French Consumer Spending (MoM) (Jan)**		0.6%	-0.8%
1:15 PM	France	**French CPI (MoM) (Jan)**		0.4%	-0.2%
1:15 PM	France	**French GDP (QoQ) (Q4)**		0.4%	0.4%
1:15 PM	France	**French PPI (MoM) (Jan)**			0.9%
4:00 PM	India	**Federal Fiscal Deficit (Jan)**			5,012.50B
5:00 PM	India	**Infrastructure Output (YoY) (Jan)**			5.6%
5:30 PM	India	**GDP Quarterly (YoY) (Q4)**		6.4%	7.3%
7:00 PM	U.S.	**GDP (QoQ) (Q4)**		2.1%	1.9%
7:00 PM	U.S.	**Wholesale Inventories (MoM) (Jan)**		0.5%	1.0%
8:15 PM	U.S.	**Chicago PMI (Feb)**		53.0	50.3
8:30 PM	U.S.	**CB Consumer Confidence (Feb)**		111.0	111.8

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