



COMMODITY REPORT

31 January 2018

ECONOMIC/GLOBAL NEWS

- U.S. crude-oil prices closed sharply lower, marking back-to-back session declines for futures on renewed concerns about mounting U.S. crude production. On the New York Mercantile Exchange, March West Texas Intermediate crude fell \$1.06, or 1.62%, to \$64.50 a barrel. MCX Crude Oil February expiry closed at Rs. 4106 per barrel, down 1.70%.
- China manufacturing sector continued to expand in January, with a Manufacturing PMI score of 51.3, down from 51.6 in December. The non-manufacturing PMI came in with a score of 55.3 - up from 55.0 in the previous month.
- U.S. consumer confidence index climbed to 125.4 in January from an upwardly revised 123.1 in December.
- The American Petroleum Institute reported that U.S. crude supplies rose by 3.23 million barrels for the week ended Jan. 26. Gasoline stockpiles also rose 2.69 million barrels, while inventories of distillates dropped by 4.1 million barrels.
- U.K. GfK consumer confidence showed mild improvement in January, with an index score of -9, unchanged from the December reading.
- Eurozone gross domestic product expanded 2.5% in 2017, in the fourth quarter, GDP expanded 0.6% sequentially, slightly slower than the 0.7% increase seen in the third quarter. Year-on-year, economic growth eased marginally to 2.7% from 2.8% in the preceding three months.
- Eurozone economic confidence index dropped unexpectedly to 114.7 in January from revised 115.3 in December. Meanwhile, the consumer sentiment index rose to 1.3 from 0.5 in December.
- Germany consumer price index rose 1.6% year-on-year after 1.7% increase in December. Compared to the previous month, the CPI dropped 0.7% in January.
- France's gross domestic product climbed 0.6% sequentially in the fourth quarter, slightly faster than the revised 0.5% expansion seen a quarter ago.
- French consumer spending dropped 1.2% month-over-month in December, reversing a 3.0% increase in November.
- Australia's consumer prices climbed 0.6% on quarter in the fourth quarter of 2017, unchanged from the three months prior. On a yearly basis, inflation gained 1.9% - up from 1.8% in Q3.
- Japan's industrial production jumped a seasonally adjusted 2.7% on month in December, following the 0.5% gain in November. On a yearly basis, industrial production jumped 4.2% - up from 3.6% in the previous month.

Index	30-Jan-18	29-Jan-18	Pts. Ch.	% Change
Dow	26076.89	26439.48	-362.59	-1.37
Nifty	11049.65	11130.40	-80.75	-0.73
Sensex	36033.73	36283.25	-249.52	-0.69
USD/INR	63.60	63.57	0.03	0.04
Dollar Index	89.02	89.13	-0.11	-0.12
Euro/\$1US	1.2409	1.2383	0.0026	0.21
\$1US/Yen	108.75	108.95	-0.20	-0.18
Pound/\$1US	1.4156	1.4075	0.0081	0.58

Market Update

- U.S. stocks sold off for a second straight session, with the Dow suffering its biggest one-day drop in eight months, as heavy losses in health-care and energy shares weighed on the main indexes. The S&P 500 fell 31.10 points, or 1.1%, to 2,822.43. The Nasdaq Composite Index declined 64.02 points, or 0.9%, to 7,402.48.
- Indian market dropped as investors booked profits on weak global cues after indices scaled record highs in the previous session. The Sensex settled above the psychological 36,000 mark after falling below that level in late trade.

Currency Update

- The U.S. dollar pared earlier losses in the second half of the trading day, as the euro gave up some of the gains it achieved on the back of strong economic growth data. The ICE U.S. Dollar Index gave up 0.1% to 89.215. The broader WSJ U.S. Dollar Index slipped 0.1% to 83.29. The euro rose to \$1.2397, up from \$1.2383, while the pound jumped to \$1.4143 from \$1.4075. The dollar also moved lower against the yen buying ¥108.82 from ¥108.96.
- The rupee staged a spirited recovery from its early sell-off and ended modestly lower by 3 paise at 63.60 against the US dollar. The Indian unit touched a fresh one-week low of 63.79 in early trade before recovering lost ground. It traded in a tight range between 63.79 and 63.59 with negative bias most part of the session. The rupee resumed with a gap-down at 63.69 against Monday's close of 63.57 at the Interbank Foreign Exchange (forex) market. Extending the bearish momentum, it touched a fresh intra-day low of 63.79. It settled the day with a modest 3 paise loss at 63.60 against the greenback. The RBI fixed the reference rate for the dollar at 63.7534.

Name of the ETF	Holdings In Tonnes As		%Ch
	30-Jan-18	29-Jan-18	
SPDR Gold ETF	845.49	846.67	-0.14
iShares Silver Trust	9763.28	9763.28	0.00

Symbol	30-Jan-18		Ratio
	Close	Close	
Gold v/s Silver	1340	17.058	78.56
Gold v/s Crude Oil	1340	64.50	20.78

Bullion	Closing		% Ch
	30-Jan-18	29-Jan-18	
Gold Apr MCX	29985	30000	-0.05
Gold Apr Comex	1340	1345	-0.38
Silver Mar MCX	39123	39141	-0.05
Silver Mar Comex	17.058	17.127	-0.40
Energy			
Crude Oil Feb MCX	4106	4177	-1.70
Crude Mar Nymex	64.50	65.56	-1.62
Natural Gas Feb MCX	207.60	202.40	2.57
Nat. Gas Mar Henry Hub	3.195	3.167	0.88

LME Inventories (In Tonnes)

Base Metals	30-Jan-18	29-Jan-18	Change	% Change
Aluminum	1084875	1085475	-600	-0.06
Copper	306950	308650	-1700	-0.55
Nickel	359292	360714	-1422	-0.39
Lead	135750	136700	-950	-0.69
Zinc	174400	176275	-1875	-1.06

Base Metals	Closing		% Ch
	30-Jan-18	29-Jan-18	
Aluminium Feb	141.10	141.60	-0.35
Copper Feb	450.45	450.70	-0.06
Nickel Feb	854.70	881.70	-3.06
Lead Feb	166.00	166.05	-0.03
Zinc Feb	225.10	227.65	-1.12

ECONOMIC CALENDER

Wednesday January 31 2018

Time	Country	Event	Actual	Forecast	Previous
3:05 AM	U.S.	API Weekly Crude Oil Stock	3.229M	1.500M	4.755M
5:20 AM	Japan	Industrial Production (MoM) (Dec)	2.7%	1.5%	0.5%
5:31 AM	U.K.	GfK Consumer Confidence (Jan)	-9	-13	-13
6:00 AM	Australia	CPI (YoY) (Q4)	1.9%	2.0%	1.8%
6:00 AM	Australia	CPI (QoQ) (Q4)	0.6%	0.7%	0.6%
6:30 AM	China	Manufacturing PMI (Jan)	51.3	51.5	51.6
6:30 AM	China	Non-Manufacturing PMI (Jan)	55.3	55.0	55.0
12:30 PM	Germany	German Retail Sales (MoM) (Dec)		-0.4%	2.3%
12:30 PM	Germany	German Retail Sales (YoY) (Dec)		2.8%	4.4%
1:15 PM	France	French CPI (MoM)		-0.3%	0.3%
1:15 PM	Eurozone	French PPI (MoM) (Dec)			1.4%
1:30 PM	India	GDP Annual			7.1%
2:25 PM	Germany	German Unemployment Change (Jan)		-20K	-29K
2:25 PM	Germany	German Unemployment Rate (Jan)		5.5%	5.5%
3:30 PM	India	Federal Fiscal Deficit (Dec)			6,121.05B
3:30 PM	Eurozone	Core CPI (YoY)		1.0%	0.9%
3:30 PM	Eurozone	CPI (YoY) (Jan)		1.3%	1.4%
3:30 PM	Eurozone	Unemployment Rate (Dec)		8.7%	8.7%
5:00 PM	India	Infrastructure Output (YoY) (Dec)			6.8%
5:00 PM	India	M3 Money Supply			10.7%
6:45 PM	U.S.	ADP Nonfarm Employment Change (Jan)		191K	250K
8:15 PM	U.S.	Chicago PMI (Jan)		64.3	67.8
8:30 PM	U.S.	Pending Home Sales (MoM) (Dec)		0.5%	0.2%
9:00 PM	U.S.	Crude Oil Inventories		0.126M	-1.071M
9:00 PM	U.S.	EIA Weekly Distillates Stocks		-1.454M	0.639M
9:00 PM	U.S.	Gasoline Inventories		1.809M	3.098M

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