

# COMMODITY

## Report

16 May 2018



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EVERYTHING YOU  
NEED TO KNOW  
ABOUT THE COMMODITY



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## ECONOMIC / GLOBAL NEWS

- Gold futures dropped after upbeat U.S. economic data added to pressure from climbing rates in the benchmark 10-year Treasury, sending prices for the metal below the key \$1,300 line to their lowest settlement of the year. June gold lost \$27.90, or 2.12%, to settle at \$1,290.30 an ounce. MCX Gold June expiry closed at Rs. 31175 per 10 gram, down 1.04%.
- China house prices rose 0.5% in April from the previous month, up from a 0.4% rise in March. On an annual basis, home prices increased 4.7% in April, slowing from a 4.9% gain in March.
- U.S. retail sales rose by 0.3% in April after climbing by an upwardly revised 0.8% in March. Core retail sales still rose by 0.3% in April following an upwardly revised 0.4% increase in March.
- U.S. business inventories were virtually unchanged in March after climbing by 0.6% in February.
- The American Petroleum Institute reported that U.S. crude supplies rose by nearly 4.9 million barrels for the week ended May 11. The API data showed a decline of 3.4 million barrels in gasoline stockpiles, while inventories of distillates edged down by 768,000 barrels.
- U.K. ILO jobless rate remained at 4.2% in the first quarter, but down from 4.6% a year ago. The claimant count rose to 31,200 over the period from 15,700 previously.
- Eurozone gross domestic product grew 0.4% sequentially in the first quarter, slower than the 0.7% expansion seen a quarter ago. On a yearly basis, GDP growth slowed to 2.5%, as estimated, from 2.8% a quarter ago.
- Eurozone industrial output grew 0.5% in March from February, when it dropped 0.9%. On a yearly basis, industrial production growth improved to 3% in March from 2.6% in February.
- Eurozone ZEW economic sentiment index rose 0.5 points to 2.4 in May. Meanwhile, the current situation index declined 1.6 points to 56.1.
- Germany's gross domestic product grew 0.3% sequentially in the first quarter, slower than the 0.6% expansion seen in the previous quarter. On a yearly basis, calendar-adjusted GDP climbed 2.3% after expanding 2.9% in the fourth quarter. Similarly, price-adjusted growth eased to 1.6% from 2.3% a quarter ago.
- Germany's ZEW Indicator of Economic Sentiment held steady at -8.2 in May. The current situation index dropped to 87.4 in May from 87.9 a month ago.
- France's consumer price inflation climbed 1.6% year-over-year in April, the same rate of increase as in March. On a monthly basis, consumer price growth eased to 0.2% in April from 1.0% in the previous month.
- French non-farm payrolls increased by 0.3% on quarter to 25.07 million in the fourth quarter of 2017, following a 0.2% rise in the previous period.
- Japan's gross domestic product was down 0.2% on quarter in the first three months of 2018, following the downwardly revised 0.1% gain in the three months prior (originally 0.4%). On a seasonally adjusted annualized basis, GDP was down 0.6% - following the downwardly revised 0.6% gain in the previous three months (originally 1.6%).
- Japan's industrial production rose by 1.4% in March and prelim 1.2%, whilst affirming a slowdown from February's 2% increase.
- India's trade deficit widened to \$13.72 billion in April. This is \$47 million higher than the \$13.25- billion trade deficit reported in April 2017. Exports rose 5.2% to \$25.91 billion in April while imports grew 4.6% on year at \$39.63 billion.

INDEX	15-MAY-18	14-MAY-18	PTS. CH.	% CHANGE
<b>Dow</b>	24706.07	24899.41	<b>-193.34</b>	<b>-0.78</b>
<b>Nifty</b>	10801.85	10806.60	<b>-4.75</b>	<b>-0.04</b>
<b>Sensex</b>	35543.94	35556.71	<b>-12.77</b>	<b>-0.04</b>
<b>USD/INR</b>	68.07	67.51	<b>0.56</b>	<b>0.83</b>
<b>Dollar Index</b>	93.14	92.46	<b>0.68</b>	<b>0.74</b>
<b>Euro/\$1US</b>	1.1820	1.1927	<b>-0.0107</b>	<b>-0.90</b>
<b>\$1US/¥en</b>	110.30	109.66	<b>0.64</b>	<b>0.58</b>
<b>Pound/\$1US</b>	1.3500	1.3556	<b>-0.0056</b>	<b>-0.41</b>

## MARKET UPDATE

- U.S. stocks fell firmly, with a lengthy winning streak for the Dow coming to an end as a benchmark government bond yield jumped to a multiyear high, challenging appetite for equities compared with climbing rates for risk-free bonds. The S&P 500 fell 18.68 points, or 0.7%, to 2,711.45. The Nasdaq Composite Index fell 59.69 points, or 0.8%, to 7,351.63.
- Indian market ended almost flat, erasing strong intraday gains, after Bhartiya Janata Party's lead decreased from the halfway mark in the ongoing Karnataka Assembly election results

## CURRENCY UPDATE

- The U.S. dollar rose for a second day in a row trade, giving a key measure of the buck's strength its best day since late March, as rising rates on U.S. Treasury bonds underpinned appetite for the currency. The ICE U.S. Dollar Index was up 0.7% at 93.237. The WSJ Dollar Index rose 0.6% to 86.91. The euro slipped below \$1.19 and traded at \$1.1845, down versus \$1.1929. The British pound fell to \$1.3510, compared with \$1.3556. The greenback also advanced against the yen, buying ¥110.36 compared with ¥109.65.
- The rupee went into a tailspin by plunging 56 paise, the second biggest single-day fall of 2018, to end at a new 16-month low of 68.07 as panic dollar demand rattled currency market. It has been in a virtual free fall for the Indian unit which settled a hairs breadth below its intra-day low of 68.15 a dollar. The rupee opened lower at 67.68 from overnight level of 67.51 at the Interbank Foreign Exchange (Forex) market. The Indian unit finally broke down of key 68-mark and plunged sharply to fresh session low of 68.15 in the last hour before ending at 68.07, revealing a sharp loss of 56 paise, or 0.83%. The RBI fixed the reference rate for the dollar at 67.5288.

BULLION	CLOSING		% CH
	15-MAY-18	14-MAY-18	
<b>Gold Jun MCX</b>	31175	31504	<b>-1.04</b>
<b>Gold Jun Comex</b>	1290	1318	<b>-2.12</b>
<b>Silver Jul MCX</b>	39952	40348	<b>-0.98</b>
<b>Silver Jul Comex</b>	16.269	16.645	<b>-2.26</b>
<b>ENERGY</b>			
<b>Crude Oil Jun MCX</b>	4869	4809	<b>1.25</b>
<b>Crude Jun Nymex</b>	71.31	70.96	<b>0.49</b>
<b>Natural Gas May MCX</b>	194.10	192.30	<b>0.94</b>
<b>Nat. Gas Jun Henry Hub</b>	2.836	2.842	<b>-0.21</b>

NAME OF THE ETF	HOLDINGS IN TONNES AS ON		% CH
	15-MAY-18	14-MAY-18	
<b>SPDR Gold ETF</b>	856.17	856.17	<b>0.00</b>
<b>iShares Silver Trust</b>	9940.41	9940.41	<b>0.00</b>

NAME OF THE ETF	CLOSING		RATIO
	15-MAY-18		
<b>Gold v/s Silver</b>	1290	16.269	<b>79.31</b>
<b>Gold v/s Crude Oil</b>	1290	71.31	<b>18.09</b>

(IN TONS)	LME INVENTORIES DATA			% Change
	15-MAY-18	14-MAY-18	Change	
<b>Aluminum</b>	1247100	1259300	<b>-12200</b>	<b>-0.97</b>
<b>Copper</b>	291350	289975	<b>1375</b>	<b>0.47</b>
<b>Nickel</b>	308478	311448	<b>-2970</b>	<b>-0.95</b>
<b>Lead</b>	131225	131225	<b>0</b>	<b>0.00</b>
<b>Zinc</b>	232800	233700	<b>-900</b>	<b>-0.39</b>

BASE METALS	CLOSING		% CH
	15-MAY-18	14-MAY-18	
<b>Aluminium May</b>	159.50	157.20	<b>1.46</b>
<b>Copper Jun</b>	462.95	463.70	<b>-0.16</b>
<b>Nickel May</b>	985.40	976.30	<b>0.93</b>
<b>Lead May</b>	160.20	161.05	<b>-0.53</b>
<b>Zinc May</b>	208.55	206.30	<b>1.09</b>

## ECONOMIC CALENDER

WEDNESDAY MAY 16, 2018

TIME	COUNTRY	EVENT	ACTUAL	FORECAST	PREVIOUS
2:00 AM	U.S.	<b>API Weekly Crude Oil Stock</b>	<b>4.854M</b>	-0.719M	-1.850M
5:20 AM	Japan	<b>GDP (YoY) (Q1)</b>	<b>-0.6%</b>	-0.2%	1.6%
5:20 AM	Japan	<b>GDP (QoQ) (Q1)</b>	<b>-0.2%</b>	0.0%	0.4%
7:00 AM	China	<b>House Prices (YoY) (Apr)</b>	<b>4.7%</b>		4.9%
Tentative	China	<b>FDI</b>			0.5%
10:00 AM	Japan	<b>Industrial Production (MoM) (Mar)</b>	<b>1.4%</b>	1.2%	1.2%
11:30 AM	Germany	<b>German CPI (MoM) (Apr)</b>		0.0%	0.0%
11:30 AM	Germany	<b>German CPI (YoY) (Apr)</b>		1.6%	1.6%
1:30 PM	U.S.	<b>IEA Monthly Report</b>			
2:30 PM	Eurozone	<b>Core CPI (MoM) (Apr)</b>		0.2%	1.4%
2:30 PM	Eurozone	<b>Core CPI (YoY) (Apr)</b>		0.7%	0.7%
2:30 PM	Eurozone	<b>CPI (YoY) (Apr)</b>		1.2%	1.2%
2:30 PM	Eurozone	<b>CPI (MoM) (Apr)</b>		0.3%	1.0%
6:00 PM	U.S.	<b>Building Permits (Apr)</b>		1.350M	1.379M
6:00 PM	U.S.	<b>Building Permits (MoM) (Apr)</b>			4.4%
6:00 PM	U.S.	<b>Housing Starts (MoM) (Apr)</b>		-1.1%	1.9%
6:00 PM	U.S.	<b>Housing Starts (Apr)</b>		1.310M	1.319M
6:45 PM	U.S.	<b>Industrial Production (YoY)</b>			4.3%
6:45 PM	U.S.	<b>Industrial Production (MoM) (Apr)</b>		0.5%	0.5%
6:45 PM	U.S.	<b>Manufacturing Production (MoM) (Apr)</b>		0.5%	0.1%
8:00 PM	U.S.	<b>Crude Oil Inventories</b>		-0.763M	-2.197M
8:00 PM	U.S.	<b>EIA Weekly Distillates Stocks</b>		-2.155M	-3.791M
8:00 PM	U.S.	<b>Gasoline Inventories</b>		-1.421M	-2.174M

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