

Daily Report - February 24<sup>th</sup> 2016

## Outlook for the day

Spot gold was steady at \$1,227.40 an ounce by 0300 GMT, after gaining 1.4 percent in the previous session.

Gold retained sharp overnight gains on Wednesday, bolstered along with other safe-haven assets as risk-aversion in the market sent equities tumbling.

Gold has gained 16 percent so far this year, making it one of the best performing assets of the year, on the back of concerns over the global economy and the sell-off in stocks.

Investors have been channeling money into bullion, as shown by flows into exchange-traded funds. Assets in SPDR Gold Trust, the top gold-backed ETF, are at their highest since March 2015. The fund's inflows since the beginning of the year have already surpassed outflows for the whole of 2015.

The inflows so far have been able to offset the lack of interest from key Asian buyers, who have taken advantage of the gold rally to sell bullion and take profits.

Discounts in India are at a record of about \$50 an ounce to the global benchmark, while in China they are at about \$1.

The metal has also been helped by speculation that the Federal Reserve may not raise U.S. interest rates this year, after the first rate hike in nearly a decade in December.

Signs of a slowdown in the global economy and volatile financial markets have led investors to bet against rate hikes any time soon. Prices for U.S. fed funds futures suggest investors see little chance of any increases this year.

The Fed may need to keep U.S. interest rates unchanged for an "extended period" to give inflation time to rise back to the central bank's 2-percent target, Dallas Fed chief Robert Kaplan said on Tuesday.

However, Kansas City Fed President Esther George said the U.S. central bank should consider raising interest rates at its next policy meeting in March.

U.S. West Texas Intermediate (WTI) crude futures were trading at \$31.46 per barrel at 0012 GMT, down 41 cents from their last settlement. They had already dropped 6 percent the previous day.

Oil prices slid in early trading on Wednesday, extending sharp falls from the previous session after top exporter Saudi Arabia ruled out production cuts and industry data showed a further build in U.S. crude stockpiles.

Saudi Arabia's veteran oil minister Ali Al-Naimi said on Tuesday at a conference in Houston, Texas, that a coordinated production cut by OPEC and non-OPEC exporters was "not going to happen because not many countries are going to deliver."

The American Petroleum Institute (API) said on Tuesday that crude inventories rose 7.1 million barrels in the week to Feb. 19 to 506.2 million, far exceeding analysts' expectations for an increase of 3.4 million barrels. The U.S. Energy Information Administration will report official inventory data later on Wednesday.

Commodity	Open	High	Low	Close	Net Change	Indices	Close	% Change
Gold	29000	29397	29000	29302	+1.16	Bse	23410.20	-1.59
Silver	36980	37333	36925	37176	+0.53	Nifty	7109.60	-1.73
Crude oil	2303	2316	2192	2200	-5.54	Nikkei	15948.30	-0.65
Aluminum	108.50	109.50	106.60	107.00	-1.74	Hang Seng	19195.00	-1.13
Cardamom	674.00	680.00	665.00	669.50	-0.71	S & P 500	1921.30	-1.25
Copper	320.40	320.40	317.00	319.20	-0.50	Dow Jones	16431.80	-1.14
Cpo	482.30	484.60	480.90	481.60	-0.52	Nasdaq	4503.60	-1.47
Lead	117.65	118.00	116.35	116.95	-0.97	DAX	9416.80	-1.64
Mentha oil	934.70	946.80	927.00	940.80	+0.46	FTSE	5962.30	-1.25
Natural Gas	125.50	126.80	121.90	122.70	-1.52	Straits	1877.20	0.00
Nickel	594.50	600.80	588.60	592.40	-1.12	Shanghai	2911.50	+0.28
Zinc	121.75	121.75	118.65	119.10	-2.70	CAC40	4238.40	-1.40

### LME Inventory Data

Metal	Date 22/02/2016	Date :23/02/2016
Aluminum	-5825	+7300
Copper	-3025	-1800
Lead	-50	-75
Nickel	+384	-366
Zinc	-210	-4100

### Currency Levels

Currency	Open	High	Low	Close	Sett.Price
USDINR	68.6950	68.7400	68.4675	68.6300	68.6300
EURINR	75.9175	75.9625	75.3225	75.5175	75.5175
GBPINR	96.9875	97.2725	96.6550	96.8375	96.8375
JPYINR	61.1425	61.4250	60.9250	61.2275	61.2275

### Today's Calls

### CRUDEOIL

Sell Below 2206, Target 2145 SL 2232



## Global Data

Time	Country	Event	Forecast	Previous
6:00am	AUD	Construction Work Done q/q	-2.10%	-1.80%
	AUD	Wage Price Index q/q	0.60%	0.60%
7:00am	USD	FOMC Member Fischer Speaks		
12:30pm	CHF	UBS Consumption Indicator		1.62
3:00pm	GBP	BBA Mortgage Approvals	45.2K	44.0K
Tentative	EUR	German 30-y Bond Auction		1.18 1.2
4:30pm	GBP	CBI Realized Sales	16	16
8:15pm	USD	Flash Services PMI	53.4	53.2
8:30pm	USD	New Home Sales	522K	544K
9:00pm	USD	Crude Oil Inventories	2.0M	2.1M
11:20pm	CAD	Gov Council Member Schembri Speaks		
11:40pm	GBP	MPC Member Cunliffe Speaks		

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