GOLD

Market Outlook and Fundamental Analysis:

Bullion continue its southward journey on 3rd consecutive monthly fall by almost 1.5% down in march, lost 11% in Q1-2021, marking its worst start to a year since 1982 and its biggest quarterly decline in more than 4-years on rising US Treasury yields and a strong dollar amid optimism in the market regarding the economic recovery. Comments by Fed Chairman Jerome Powell in the recent past have also lent further support to the dollar and yields. Various events and data points triggered the market volatility last month; like the $1.9 trillion Covid stimulus package being passed, increased tussle between US and China, central banks' comments, Covid cases rising significantly and other vaccine updates. All these have and will continue to keep the market participants anxious. India gold lost 21% and international 15% from Aug peak. Silver down 8.5% in March, 2nd consecutive monthly fall. Against this platinum & palladium register its best month since Feb 2020.

The US 10-year yield jumped above 1.7% on hopes of a quick economic recovery, positive payroll data, and Fed's statements.

U.S. President Joe Biden's announcement of a long-awaited $2 trillion-plus job plan on Wednesday which has raised concerns over inflation also supported the metal. While gold is considered a hedge against inflation, higher bond yields have threatened that status as they increase the bullion's opportunity cost.

In latest meet, The Federal Open Market Committee left its benchmark rate unchanged in the range of 0% to 0.25% and said it would continue its $120 billion monthly bond purchases. "Following a moderation in the pace of the recovery, indicators of economic activity and employment have turned up recently, although the sectors most adversely affected by the pandemic remain weak. Inflation continues to run below 2 percent," the Fed said in a statement. The Fed upped its growth targets for the years ahead, forecasting the economy to grow by 6.5% in 2021, and 3.3% in 2022, but it kept its interest-rate outlook unchanged for no hike through 2023.

Latest data shows, China's factory activity expanded at a faster-than-expected pace in March, official data showed, as factories that had closed for the Lunar New Year holiday resumed production to meet improving demand. U.S. consumer confidence surged in March to its highest level since the start of the COVID-19 pandemic, supporting views that economic growth will accelerate in the coming months. Annual profits at China's industrial firms surged in the first two months of 2021, highlighting a rebound in the country's manufacturing sector and a broad revival in economic activity. U.S. consumer spending fell by the most in 10 months in February as a cold snap gripped many parts of the country and the boost from a second round of stimulus checks to middle- and lower-income households faded. The U.S. current account deficit raced to a 12-year high in 2020 as the COVID-19 pandemic severely disrupted exports and could remain elevated this year as an economic recovery driven by massive fiscal stimulus draws in imports.
The U.S. trade deficit surged to a record high in February as the nation's economic activity rebounded more quickly than that of its global rivals and could remain elevated this year, with massive fiscal stimulus expected to spur the fastest growth in nearly four decades. The economy is

roaring as increased COVID-19 vaccinations and the White House's $1.9 trillion pandemic rescue package boost domestic demand, a chunk of which is being satiated with imports.

Economists expect US growth this year could top 7%, which would be the fastest since 1984. The economy contracted 3.5% in 2020, the worst performance in 74 years. The International Monetary Fund is forecasting the global economy to expand 6% this year, driven primarily by the U.S. economy, which the fund estimated would grow by 6.4%.

The U.S. 10-year Treasury yield rose as far as 1.776% on Tuesday, it's highest since Jan. 22. Higher returns on bonds increase the opportunity cost of holding non-yielding bullion. New orders for key U.S.-made capital goods and shipments unexpectedly fell in February.

Holdings of the world's largest gold-backed exchange traded fund, SPDR Gold Trust, fell by 5% in the month of March, reflecting investors' bearish sentiment towards gold and a shift in risk appetite. The biggest gold-backed exchange traded fund, SPDR Gold Trust, has seen outflows of more than 140 tones so far this year.

The European Central Bank increased bond purchases by nearly half last week, ramping up its stimulus efforts to keep a lid on borrowing costs and convince sceptical investors it would do what it takes to restrain bond yields.

India's gold imports, India's gold imports in March surged 471% from a year earlier to a record 160 tones, a government source told Reuters on Thursday, as a reduction in import taxes and a correction in prices from record highs drew retail buyers and jewellers. India imported a record 321 tones in the March quarter, up from 124 tones a year ago, the source said. In February, India slashed import duties on gold to 10.75% tax from 12.5% to boost retail demand and curtail smuggling into the South Asian country. After the announcement of import duty cut from the government of India, we did witness a fall in price, which encouraged the overall imports in India.

China's monthly net gold imports via Hong Kong in February were little changed at 4.192 tones, as fresh import quotas were not issued by the central bank.

US Nonfarm payrolls, a gauge for economy & interest rates, surged by 916,000 jobs last month, the Labor Department said. That was being the biggest gain since last August. Economists polled by Reuters had forecast payrolls increasing by 647,000 jobs in March. The unemployment rate fell to 6.0% last month from 6.2% in February. The unemployment rate has been understated by people misclassifying themselves as being "employed but absent from work." U.S. employers hired more workers than expected in March, spurred by increased vaccinations and more pandemic relief money from the government, cementing expectations that an economic boom was underway. However, Nearly 1.7 million jobs were lost that month, and another 20.7 million would vanish in April. Economists estimate it could take at least two years to recoup the more than 22 million jobs lost during the pandemic.

On data side, U.S. retail sales fell more than expected in February amid cold weather across the country, but a rebound is likely as the government disburses another round of pandemic relief money. U.S. producer prices increased strongly in February, leading to the largest annual gain in nearly 2-1/2 years. U.S. consumer prices increased solidly in February, with households paying more for gasoline, but underlying inflation remained tepid amid weak demand for services like airline travel and hotel accommodation. New orders for U.S.-made goods fell in February, likely weighed down by unseasonably cold weather, though manufacturing remains strong as the economic recovery regains steam amid an improving public health situation and massive fiscal stimulus. A measure of U.S. services industry activity surged to a record high amid robust growth in new orders, in the latest indication of a roaring economy that is being boosted by increased vaccinations and massive fiscal stimulus. Sales of new U.S. single-family homes dropped more than expected in February amid bitterly cold weather, which also weighed on activity in other parts of the economy last month.

On domestic Data update, The Reserve Bank of India (RBI) kept interest rates at record lows but committed to a massive government bond purchase programmed, keeping monetary policy accommodative amid concerns rising COVID-19 cases could derail a nascent economic recovery. The monetary policy committee decided unanimously to leave the RBI's repo rate, its key lending rate, unchanged at 4% and the reverse repo rate, its borrowing rate, at 3.35%. The RBI has a mandate to keep retail inflation within the 2-6% band with 4% as a medium-term target. The RBI retained its GDP growth forecast for the new financial year at 10.5%, after a 7.5% contraction in 2020/21, while raising its inflation projection to 5% for the fourth quarter of 2020/21, and 5.2% for the first two quarters of 2021/22. Manufacturing activity in India grew at its slowest pace in seven months, restricted by the Covid-19 pandemic with production and new orders expanding at softer rates and employment declining amid waning business confidence, a private survey showed.

The U.S. dollar's share of currency reserves reported to the International Monetary Fund slid to 59% in the fourth quarter, from 60.5% in third, IMF data showed. The dollar though still has the largest share of currency reserves held by global central banks.

Separately, The International Monetary Fund will raise its forecast for global economic growth in 2021 and 2022 after last year's 3.5% contraction, IMF Managing Director Kristalina Georgieva said on Tuesday. The world economy is set to rebound this year with 5.6% growth and expand 4.0% next year, the Organisation for Economic Cooperation and Development said in its interim economic outlook. The pandemic-hit global economy is set to rebound with 5.6% growth this year and expand 4% next year, the Organisation for Economic Cooperation and Development (OECD) said in its interim economic outlook. Its previous forecast had been for growth of 4.2% this year.

Going ahead, Global commodity markets ended 2020 on a strong note, with recovering demand and widespread stimulus packages buoying prices after a roller coaster ride caused by the global corona virus pandemic. Rollouts of vaccines to combat the virus and trillions of dollars' in fiscal support are expected to boost investment and spending in 2021, spurring demand for raw materials from oil to copper. Also, If U.S. growth slows down next year, as expected, gold would benefit from higher demand for defensive assets. In nutshell, Performance of financial markets, monetary policy in key economies including here, and the dollar movement will determine gold performance in 2021. Gold could move higher with risk assets next year as long as monetary and fiscal conditions remain accommodative, while lower yields will encourage investors to hedge riskier assets with gold. Given the rising inflation expectations, weakening dollar and lofty valuations in some risky assets, demand for safe-haven inflation hedges should remain supported this year, and we can expect gold to test its all time high above $2,100/toz in this year. Gold is often used by investors as a hedge against political and financial uncertainty.

MONTHLY BULLETIN (RESEARCH) Date 8th April 2021

Technical Outlook:

On the Daily Chart:

In COMEX GOLD is trading at $1756

Expected support and Resistance level for the month

Gold	S1	S2	R1	R2
COMEX/DG CX ($)	1720	1675	1765	1815
MCX (Rs.)	45600	44100	47100	48500

RECOMMENDATION:

MCX Gold Dec: Buy above 46900 Stop Loss 46200 Targets 47700-48200.
Sell Only below 45250 Stop Loss 45700 Target 44500-44100.

MONTHLY BULLETIN (RESEARCH) Date 8th April 2021

SILVER

Technical Outlook:

On the Daily Chart:

Expected support and Resistance level for the month

Silver	S1	S2	R1	R2
COMEX/DG CX ($)	23.750	21.50	26.70	28.40
MCX (Rs.)	64600	62500	68500	72000

RECOMMENDATION:

MCX Silver Dec: Buy Only above 67800 Stop Loss below 66300 Targets 70000-72000
Sell below 64400 S/L above 65200 Target 63000-62500.

CRUDE OIL

Market Outlook and Fundamental Analysis

Energy complex end lower in March with Brent down 3.9% for the month but up 22.6% for the Q1-2021 and WTI fell 3.8% in March and rose 21.9% for the quarter. Prices rose in the quarter mainly due to demand-recovery optimism after COVID-19 vaccines began to roll out in the New Year. However, those hopes were dampened this month amid a resurgence in cases that threaten to overwhelm hospitals in European countries and curtail demand for fuel in expectations fresh lockdown in many Europe as well Asian countries.

In its latest meet of OPEC+, it has lowered its 2021 oil demand growth forecast by 300,000 barrels per day reflecting concerns about the market's recovery as new corona virus lockdowns take hold, a move that could strengthen the case for a cautious output decision this week. Under its base case scenario, it expects oil demand to grow by 5.6 million barrels per day this year, down by 300,000 bpd from its previous forecast, the report showed. It also raised its global supply growth forecast by 200,000 bpd to 1.6 million bpd. The Organization of the Petroleum Exporting Countries and allied producers, a group known as OPEC+, are curbing output by just over 7 million bpd to support prices and reduce oversupply. Saudi Arabia has added an additional 1 million bpd to those cuts.

U.S. world largest crude oil consumer & producer, U.S. crude oil production is expected to fall by 270,000 barrels per day (bpd) in 2021 to 11.04 million bpd, the U.S. Energy Information Administration (EIA) said on Tuesday, a steeper decline than its previous forecast for a drop of 160,000 bpd. The agency said it expects U.S. petroleum and other liquid fuel consumption to rise 1.32 million bpd to 19.44 million bpd in 2021, compared with a previous forecast for a rise of 1.41 million bpd.

Meanwhile, natural gas production in the lower 48 increased slightly to 102,847 million cubic feet per day in the month, from 102,714 in the previous month. Output rose in top-producing states, Pennsylvania and Texas.

US Crude inventories U.S. crude stocks fell unexpectedly last week, while gasoline stocks decreased and distillate inventories rose, the EIA latest weekly data showed. Gasoline stocks fell by 1.7 million barrels and Distillate stockpiles, which include diesel and heating oil, rose by 2.5 million barrels.

OPEC oil output has risen in March as higher supply from Iran countered reductions by other members under a pact with allies, a Reuter's survey found, a headwind for its supply-limiting efforts if Tehran's boost is sustained.

At end of the month, U.S. energy firms added oil and natural gas rigs this week, with the total count rising for an eighth month and a second quarter in a row as higher oil prices prompt drillers back to the wellpad. The oil and gas rig count, an early indicator of future output, rose six to 417 in the week to March 26, its highest since April last year, energy services firm Baker Hughes Co said in its closely followed report. That puts the rig count up 71% from a record low of 244 in August 2020, according to Baker Hughes data going back to 1940. The total count, however, is still 311 rigs, or 43%, below this time last year. In March, the total rig count was up for an eighth month in a row for the first time since July 2017, rising by 15.

In a monthly report, the EIA said it now expects U.S. crude oil production to decline by 160,000 barrels per day (bpd) in 2021 to 11.15 million bpd, a smaller decline than its previous forecast of a 290,000-bpd drop. U.S. natural gas production will edge up in 2021, while demand declines for a second year in a row as economic fallout from corona virus lockdowns continue to plague the market, the U.S. Energy Information Administration (EIA) said in its Short-Term Energy Outlook (STEO)

On domestic Updates, India's crude oil processing fell to its lowest in four months in February, retreating from a near one-year high hit in the prior month hurt by higher crude prices and weaker fuel demand in the country. Earlier, India, the world's third-biggest oil importer and consumer, said that the OPEC+ decision to extend cuts as prices move higher could threaten the consumption led-recovery in some countries. India's annual electricity demand fell for the first time in at least 35 years in the fiscal year to March, government data reviewed by Reuters showed, mainly due to strict corona virus-induced lockdowns across the country.

Going ahead, Oil prices are unlikely to mount much of a recovery in 2021 as a new corona virus variant and related travel restrictions threaten already weakened fuel demand. A new variant of the corona virus detected in Britain raises the risk of renewed restrictions and stay-at-home orders, which along with a phased rollout of vaccines might restrict further price gains. Additional lockdown measures and the careful OPEC+ dance of raising output will be the focal point for the first half of the year.

Technical Outlook:-

MONTHLY BULLETIN (RESEARCH) Date 8th April 2021

On the Daily Chart:

Expected Support and Resistance level for the month

Crude	S1	S2	R1	R2
NYMEX/DG CX ($)	57	53.90	62.30	65
MCX (Rs.)	4200	4100	4550	4730

RECOMMENDATION:

MCX Crude: Sell below 4240 & 4200 Stop Loss above 4330 Target 4100-4000.
Buy above 4550 Stop Loss below 4450 Target 4700-4730

Natural Gas

Technical Outlook:

MONTHLY BULLETIN (RESEARCH) Date 8th April 2021

RECOMMENDATION:

MCX NG : Buy above 198 Stop Loss below 190 for Targets of 208-212.
Sell below 181 & 179 S/L above 187 Target 172-167 Range

Base Metals

Market Outlook and Fundamental Analysis

COPPER:

Base metals prices register their first monthly decline in a year, as a firm U.S. dollar and a new wave of corona virus infections in Europe prompted traders to exercise caution. Copper down 3.8% on a monthly basis for the first fall since March 2020. The contract, however, is still set for its 4th straight quarterly gain, almost 14.4% as tight mine supply, demand hopes and strong liquidity in the financial markets pushed prices to $9,617 a tone in February, only 6% shy of the record $10,190 level. Other hand, LME nickel register first quarterly decline since March last year, following Tsingshan's announcement to produce a large amount of nickel matte in Indonesia earlier this month. Fall in base metals was one of the reason by Strong Dollar, as the dollar was strengthened by cautious market mood that pushed investors to safety, while U.S. economic strength and a rapid vaccine rollout also added to the greenback's shine.

Also weighing on prices were copper inventories in LME warehouses rising 67% in March to 123,800 tones, their highest since Dec. 16, 2020.

Latest numbers from top metal consumer China shows, China's factory activity in March expanded at the slowest pace in almost a year on softer overall domestic demand, with the Caixin/Markit Manufacturing Purchasing Managers' Index (PMI) dropping to 50.6, its lowest since April 2020. Annual profits at China's industrial firms surged during the January-February period, highlighting a rebound in its manufacturing sector and a broad economic recovery.

Meanwhile, Chilean state copper giant Codelco clinched a deal with workers at its Radomiro Tomic mine after they accepted a new contract offer, defusing worries about a potential strike.

Other side, Global copper smelting slipped to its lowest levels in at least five years in March, especially in top refined copper producer China, data from satellite surveillance of copper plants showed. A supply squeeze in concentrates partially outweighed signs of weaker than expected demand for refined copper in China, the world's biggest consumer, as it enters a traditionally strong demand season in the second quarter.

Chinese copper demand usually strengthens in the traditionally strong second quarter, while low treatment charges for copper concentrate due to limited mined supplies also supported prices.

China accounts for nearly half of global copper demand, estimated at 24 million tones last year. Copper, used in the power and construction industries, is also seen as a gauge for the health of global economy.

Chinese auto sales also surged 365% year-on-year in February for their 11th month of gains.

Euro zone monthly factory activity growth galloped at its fastest pace in the near 24-year history of a leading business survey last month, but supply chain disruptions and renewed lockdowns in the region may rein it in soon. In Germany, Europe's largest economy, activity grew at the fastest pace on record. In France, the bloc's second-biggest economy, it hit levels not seen since the internet boom at the turn of the century.

Aluminum Inventories in LME warehouses have leaped to almost 2 million tones from 1.3 million tones on March 8, pushing cash aluminium to a steep discount against the three-month contract.

China's aluminium imports in the first two months of 2021 rose 150.7% from a year earlier, customs data showed, as overseas metal booked at favourable prices continued to flow into the world's biggest aluminium market.

Earlier of the month Aluminium on the Shanghai Futures Exchange hit a 9-1/2 year high as supply concerns rose after an aluminium hub in top consumer China ordered power cuts and output curbs.

On Data side,

Separately, the global nickel market surplus shrank to 8,400 tones in January from a revised surplus of 14,700 tones in the previous month, data from the International Nickel Study Group showed.

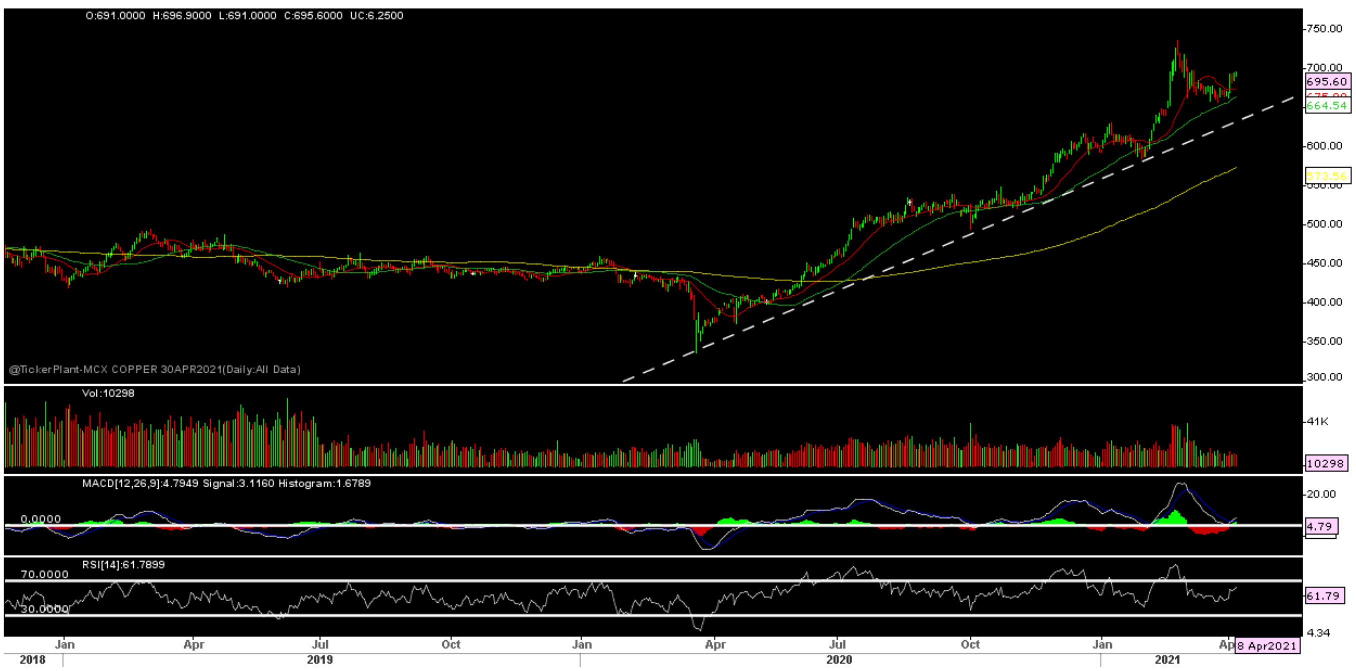
Going ahead, a year into the corona virus pandemic, the focus has been on the vaccines vs. variants battle crucial to restoring some normality to the world economy. As per latest numbers effect of Covid-19 will likely to be longer than expected and play a bigger role to decide fresh direction for global growth as well base metals Prices. However, stimulus offer by various countries including China, US, EU… may support base metals at lower level but all will depend on how long global shut down will remain & ultimate its effect on different countries economy & trade. Chinese authorities are expected to roll out more supportive measures on top of a range of policy initiatives this year. Such measures - mostly medium to long-term policies - are likely to put a floor under the slowing economy in the second half of the year at the earliest.

MONTHLY BULLETIN (RESEARCH) Date 8th April 2021

Base Metals

TECHNICAL OUTLOOK:

COPPER:



Expected Support & Resistance level for the month

Copper	S1	S2	R1	R2
MCX	682	663	701	720

RECOMMENDATION:

COPPER MCX:- Sell Only below 682 Stop Loss above 690 Target 670-665 Range.
Buy above 698 Stop loss below 690 Target 710-718.

MONTHLY BULLETIN (RESEARCH) Date 8th April 2021

LEAD:

Technical Outlook:

Expected support and Resistance level for the month

Lead	S1	S2	R1	R2
MCX	162	157.5	167	170

RECOMMENDATION:

LEAD M MCX: - Sell below 161.5 Stop Loss above 164 Target 155-152.
Buy Only above 167 Stop Loss below 163.5 Target 173-175

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ZINC

TECHNICAL OUTLOOK:

Expected Support & Resistance level

Zinc	S1	S1	R1	R2
MCX	223	217	233	238

RECOMMENDATION:

ZINC MCX :- Sell Only below 223 Stop Loss above 227 Target 217-212 Range
Buy above 231 Stop Loss below 226 Target 238-242

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NICKEL

TECHNICAL OUTLOOK:

Expected Support & Resistance level

Nickel	S1	S1	R1	R2
MCX	1220	1165	1275	1310

RECOMMENDATION:

Nickel MCX :- Sell below 1220 Stop Loss above 1235 Targets 1190-1170
Buy Only above 1275 Stop Loss below 1250 Targets 1310-1340

MONTHLY BULLETIN (RESEARCH) Date 8th April 2021

BONANZA RESEARCH TEAM

Fundamental Outlook by: **Mr.Vibhu Ratandhara**

Technical Outlook by: **Mr. Vibhu Ratandhara**

BONANZA COMMODITY BROKERS PVT. LTD.

DATE- April 8th, 2021

Disclosure:

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Bonanza Portfolio Ltd. Bonanza House, Plot No. M-2, Cama Industrial Estate. Walbhat Road, Goregaon (E), Mumbai – 400063 Web site: https://www.bonanzaonline.com

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| CDSL: a) 120 33500 |

NSDL: a) IN 301477 | b) IN 301688 (Delhi) | PMS: INP 000000985 | AMFI: ARN -0186