MONTHLY BULLETIN (RESEARCH) Date 12th April 2024

GOLD

Market Outlook and Fundamental Analysis:

Bullion Index register 1st monthly gain after 3-consecutive months of fall in March by more than 7% after expectation that IS FED likely to cut interest rates as early as from June and total 65 basis point cut expected during calendar year which pressure dollar index as well US treasury yield and support bullion to rally higher added by ongoing geopolitical tension and consistent central banks buying spree also support bullion at every dip. Bullion generally remains positive during geopolitical as well financial crisis. Gold is known as a safe investment during economic and geo-political crisis, but a high-interest rate environment makes the non-yielding asset less attractive to investors in last year and still this will play a vital role to decide prices in months to come. For the month of March Gold in domestic future exchange rally ore than Rs. 5000/10 gm to end almost 8% gain while Siler register 1st month of gain after 3-consecutive monthly fall by more than 5%.

US Nonfarm payrolls, a gaunge to interest rates decision shows, U.S. employers hired far more workers than expected in March and continued to lift wages at a steady clip, suggesting the economy ended the first quarter on solid ground and potentially delaying anticipated Federal Reserve interest rate cuts this year. Nonfarm payrolls increased by 303,000 jobs last month, the Labor Department's Bureau of Labor Statistics said. The economy added 22,000 more jobs than previously estimated in January and February. Economists polled by Reuters had forecast 200,000 jobs in March, with estimates ranging from 150,000 to 250,000. The unemployment rate fell to 3.8% last month from 3.9% in February. The decline in the jobless rate reflected a sharp rebound in household employment, which more than absorbed the 469,000 people who joined the labor force. Average hourly earnings rose 0.3% in March after gaining 0.2% in the prior month as some weather-related distortions faded. The annual increase in wages slowed to a still high 4.1% in March from 4.3% in February.

U.S. private payrolls increased more than expected in March, pointing to continued labor market strength. Private payrolls rose by 184,000 jobs last month, the most since last July, after advancing by an upwardly revised 155,000 in February, the ADP Employment report showed. Economists polled by Reuters had forecast private employment increasing by 148,000 last month compared to the previously reported 140,000 in February.

U.S. job openings held steady at higher levels in February, while the number of people quitting their jobs rose marginally. Job openings, a measure of labor demand, edged up 8,000 to 8.756 million on the last day of February, the JOLTS report. Data for January was revised lower to show 8.748 million unfilled positions instead of the previously reported 8.863 million. Economists polled by Reuters had forecast 8.740 million job openings in January. Job openings peaked at a record 12.0 million in March 2022.

U.S. manufacturing grew for the first time in 1-1/2 years in March as production rebounded sharply and new orders increased, as ISM said that its manufacturing PMI increased to 50.3 last month, the highest and first reading above 50 since September 2022, from 47.8 in February. The rebound ended 16 straight months of contraction in manufacturing, which accounts for 10.4% of the economy. That was the longest such stretch since the period from August 2000 to January 2002.

Federal Reserve Chair Jerome Powell reiterated a message he has sounded in recent weeks: While the Fed expects to cut interest rates this year, it won't be ready to do so until it sees "more good inflation readings'' and is more confident that annual price increases are falling toward its 2 per cent target. Speaking at a conference at the Federal Reserve Bank of San Francisco, Powell said he still expected "inflation to come down on a sometimes bumpy path to 2 per cent". But the central bank's policymakers, he said, need to see further evidence before they would cut rates for the first time since inflation shot to a four-decade peak two years ago.

The U.S. economy grew faster than previously estimated in the fourth quarter, lifted by strong consumer spending and business investment in nonresidential structures like factories. GDP increased at a 3.4% annualized rate last quarter, revised up from the previously reported 3.2% pace, the Commerce Department's Bureau of Economic Analysis said in its third estimate of fourth-quarter GDP.

The U.S. trade deficit widened for a second straight month in February as an increase in exports to a record high was offset by surging imports, suggesting trade could be a drag on economic growth in the first quarter. The trade deficit increased 1.9% to $68.9 billion. Data for January was revised slightly to show the trade gap rising to $67.6 billion instead of $67.4 billion as previously reported. Economists polled by Reuters had forecast the deficit little changed at $67.3 billion in February. When adjusted for inflation, the goods trade deficit increased 1.2% to $87.0 billion in February.

The world's biggest central banks are on the starting line of reversing a record string of interest rate hikes but the way down for borrowing costs will look very different from the way up. Central banks started to jack up rates from late 2021 as post-pandemic supply constraints and surging energy prices on Russia's war in Ukraine sent inflation into double-digit territory across much of the world. Still, investors expect the Fed, the ECB and the BoE to each deliver only 75 basis points of cuts by the end of this year, in three 25 basis point moves, tiny changes compared to rate hikes in 2022 when they sometimes increased rates by that much in a single day.

The BoE's committee of interest rate-setters voted 8-1 to keep borrowing costs at their 16-year high of 5.25% as the two officials who had previously called for higher rates changed their stance. Britain's economy is moving in the right direction for the Bank of England to start cutting interest rates, Governor Andrew Bailey said as two of his colleagues dropped their votes for a rate hike. Investors slightly increased their bets on interest rate cuts through 2024, with a 76% chance of a first cut in June and a reduction of 75 basis points now fully priced in by December. The BoE said it expected inflation would drop below its 2% target in the second quarter due to the impact of finance minister Jeremy Hunt's decision this month to freeze fuel duty once again.

The Swiss National Bank cut its main interest rate by 25 basis points to 1.50%, a surprise move which made it the first major central bank to dial back tighter monetary policy aimed at tackling inflation. "The easing of monetary policy has been made possible because the fight against inflation over the past two and a half years has been effective," Jordan told reporters, noting how Swiss inflation has held below 2% for several months. "According to our new forecast, inflation is also likely to remain in this range over the next few years."

The Bank of Japan (BOJ) ended eight years of negative interest rates and other remnants of its unorthodox policy, making a historic shift away from its focus on reflecting growth with decades of massive monetary stimulus. While the move was Japan's first interest rate hike in 17 years, it still keeps rates stuck around zero as a fragile economic recovery forces the central bank to go slow on further rises in borrowing costs. BOJ sets new short-term rate target in 0-0.1% range and sets new short-term rate target in 0-0.1% range. BOJ expects ultra-easy conditions to stay for time being and may hike rates if trend inflation heightens further.

Australia's central bank held interest rates steady and watered down its tightening bias, signalling greater confidence that inflation is moving back to its target as the economy slows. The Reserve Bank of Australia (RBA) kept rates at a 12-year high of 4.35% for a third straight meeting, and said it was not ruling anything in or out on policy. Data over the past six weeks suggests the previous policy tightening - with the benchmark rate up 425 basis points since May 2022 - is working well to constrain demand.

U.S. producer prices increased more than expected in February amid a surge in the cost of goods like gasoline and food, which could fan fears that inflation was picking up again. The producer price index for final demand rose 0.6% last month after advancing by an unrevised 0.3% in January, against economists polled by Reuters had forecast the PPI climbing 0.3%. In the 12 months through February, the PPI shot up 1.6% after advancing 1.0% in January.

U.S. consumer prices increased solidly in February amid higher costs for gasoline and shelter, as the CPI rose 0.4% last month after climbing 0.3% in January. In the 12 months through February, the CPI increased 3.2%, after advancing 3.1% in January. Economists polled by Reuters had forecast the CPI would gain 0.4% on the month and increase 3.1% on a year-on-year basis. The annual increase in consumer prices has slowed from a peak of 9.1% in June 2022, but progress has stalled in recent months. In the 12 months through February, the core CPI advanced 3.8%. That was the smallest year-on-year increase since May 2021 and followed a 3.9% rise in January.

Separately, China's central bank added 160,000 troy ounces of gold to its reserves in March. Turkey, India, Kazakhstan and some eastern European countries have also been buying gold this year.

Uganda's gold exports surged more than 10-fold in 2023 despite U.S. sanctions on a major processor in the East African country, data from the central bank showed. Uganda, which has emerged as a major hub of gold trade in the region, exported gold worth $2.3 billion in 2023, compared with $201 million over the previous twelve months, Bank of Uganda data showed.

On data side, Pending home sales in the U.S. rose 1.6% in February, spurred by modest inventory increases and job gains, as index rose 1.6% to 75.6 from a revised 74.4 the month prior. Economists expected a 1.5% increase, a Reuters poll showed. On a yearly basis, pending home sales fell 7% in February. US initial claims for state unemployment benefits fell 2,000 to a seasonally adjusted 210,000 for the week ended March 23. Economists had forecast 212,000 claims in the latest week. Claims have been hovering in a 200,000-213,000 range since February. Most employers are retaining their workers despite a rash of high-profile layoffs at the start of the year. The number of people receiving benefits after an initial week of aid, a proxy for hiring, increased 24,000 to 1.819 million during the week ending March 16, the claims report showed. British inflation slowed in February, as Consumer prices rose by 3.4% in annual terms after a 4.0% increase in January, the weakest rate of inflation since September 2021, official data showed. A Reuters poll of economists - and the BoE's own forecast published last month - had pointed to an annual rate of 3.5%. Services inflation, which the BoE watches closely, slowed to 6.1% from 6.5% in January -- as the central bank expected. Despite the moderation in price pressures, Britain still has the highest rate of headline inflation among the Group of Seven advanced economies. British wages excluding bonuses grew at their slowest pace since October 2022 while the unemployment rate edged up unexpectedly, as regular wage growth dropped to 6.1% in the three months to January from 6.2% in the final quarter of 2023, the Office for National Statistics said. Economists had expected another reading of 6.2%. However, falling inflation means that in real terms, pay was up by 2.0% compared with a year earlier, the fastest growth since September 2021.

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India is the world's second biggest consumer of gold, is expected to see a normal monsoon in 2024, private weather forecasting agency Skymet said, promising some respite after a prediction of more-than-normal heat wave days in the summer preceding the June-September rainy season. Monsoon rains are expected to be 102% of the long-period average of 868.6 mm for the four-month period, Skymet said. The IMD has predicted that in the April-June period, various parts of the country could record 10-20 heat wave days compared to the normal four to eight days. The weather forecaster expects "sufficiently good rains" in southern, western and north-western parts of the country.

India's gold imports are set to plunge by more than 90% in March from the previous month to hit their lowest level since the COVID pandemic as banks cut imports after record-high prices hit demand, a government official and two bank dealers told Reuters. Also, customers are exchanging old jewellery for new because of the high prices, so jewellers have stopped buying gold from banks, the dealer said.

India has allowed its central bank to import gold without paying import levies, the government said in a notification. Gold importers need to pay basic customs duty and Agriculture Infrastructure and Development Cess (AIDC). As of September 2023, the Reserve Bank of India held 800.79 metric tonnes of gold, including gold deposits of 39.89 tonnes. Of that, 388.06 tonnes is held an overseas and 372.84 tonne is held domestically, according to the RBI's latest reserve management report.

The Indian central bank's key interest rate was kept unchanged for a seventh straight policy meeting on Friday as growth in the economy is expected to remain robust while inflation stays above the 4% target. The six-member MPC kept the main lending rate at 6.5%, in line with expectations. The repo rate was raised by a total of 250 basis points between May 2022 and February 2023. But Das flagged that food price volatility remains a concern, although core inflation has fallen sharply in recent months to below 4%. The central bank said the Indian economy is expected to expand by 7% in the fiscal year 2025, which began on April 1, unchanged from its earlier forecast.

India's foreign exchange reserves rose for a sixth straight week to hit a lifetime high of $645.58 billion as of Mar. 29, data from the central bank showed.

On domestic Data update, India's dominant services industry grew faster in March amid strong demand, as the final HSBC India Services PMI, compiled by S&P Global, rose to 61.2 last month from February's 60.6, confounding a preliminary reading for a fall to 60.3. That put the reading above the 50-mark separating growth from contraction for a 32nd consecutive month. India's current account deficit narrowed in the October-December quarter, largely due to higher service exports, the central bank said. The deficit was $10.5 billion, or 1.2% of GDP, in the third quarter of fiscal 2023/24, compared with $11.4 billion, or 1.3% of GDP, in the preceding quarter, which was revised upwards from $8.3 billion, or 1% of GDP. The deficit stood at $16.8 billion or 2% in the same quarter a year ago. India's merchandise trade deficit in February stood at $18.71 billion, according to a Reuters calculation based on export and import data released by the government. Economists had expected the country's February trade deficit to be $18.30 billion, according to a Reuters poll. India's wholesale price index in February rose at a slower pace than in the previous month, mainly due a sharper fall in manufactured products and power prices, as wholesale prices rose 0.20% year-on-year, compared with a 0.27% gain in January. The latest figures were also slower than economists' expectation of a 0.25% rise, according to a Reuters poll. India's annual retail inflation in February rose at a faster than expected pace due to elevated food prices, as annual retail inflation eased slightly to 5.09% in February from 5.10% in January, but was higher than 5.02% forecast by a Reuters poll of economists. It expects inflation of 5.4% for the current fiscal year that ends on March 31, and has projected 4.5% for the next fiscal year. Indian industrial output in January grew at a weaker-than-expected rate of 3.8% year-on-year on the back of slowdown in manufacturing and mining activity, government data showed against economists polled by Reuters had estimated growth of 4.1% in January. Industrial output for December has been revised upwards to 4.2% from 3.8%. Industrial output in the first 10 months of the fiscal year, which started in April, was up 5.9%, against 5.5% in the same period a year earlier.

India's business activity ended this fiscal year on a high note, expanding at the fastest rate in eight months in March, according to a business survey, suggesting the country would remain the fastest growing major economy. HSBC's flash India Composite Purchasing Managers' Index (PMI), compiled by S&P Global, rose to 61.3 this month from February's final reading of 60.6. That extended the streak of expanding activity to 32 months. The 50-mark separates expansion from contraction on a monthly basis.

India's silver imports hit a record high in February, as lower duties encouraged large purchases from the United Arab Emirates, officials told Reuters.

Going ahead, Gold likely to continue its northward journey with record high prices on sight in 2024, when the fundamentals of a dovish pivot in U.S. interest rates, continued geopolitical risk, and central bank buying are expected to support the market. To makes bullion attractive assets class, we need to see stronger demand from investors, such as a pickup in ETF inflows, continue central banks buying and for all that weaker U.S. economic data and lower inflation is needed, so that the Fed sounds more dovish.

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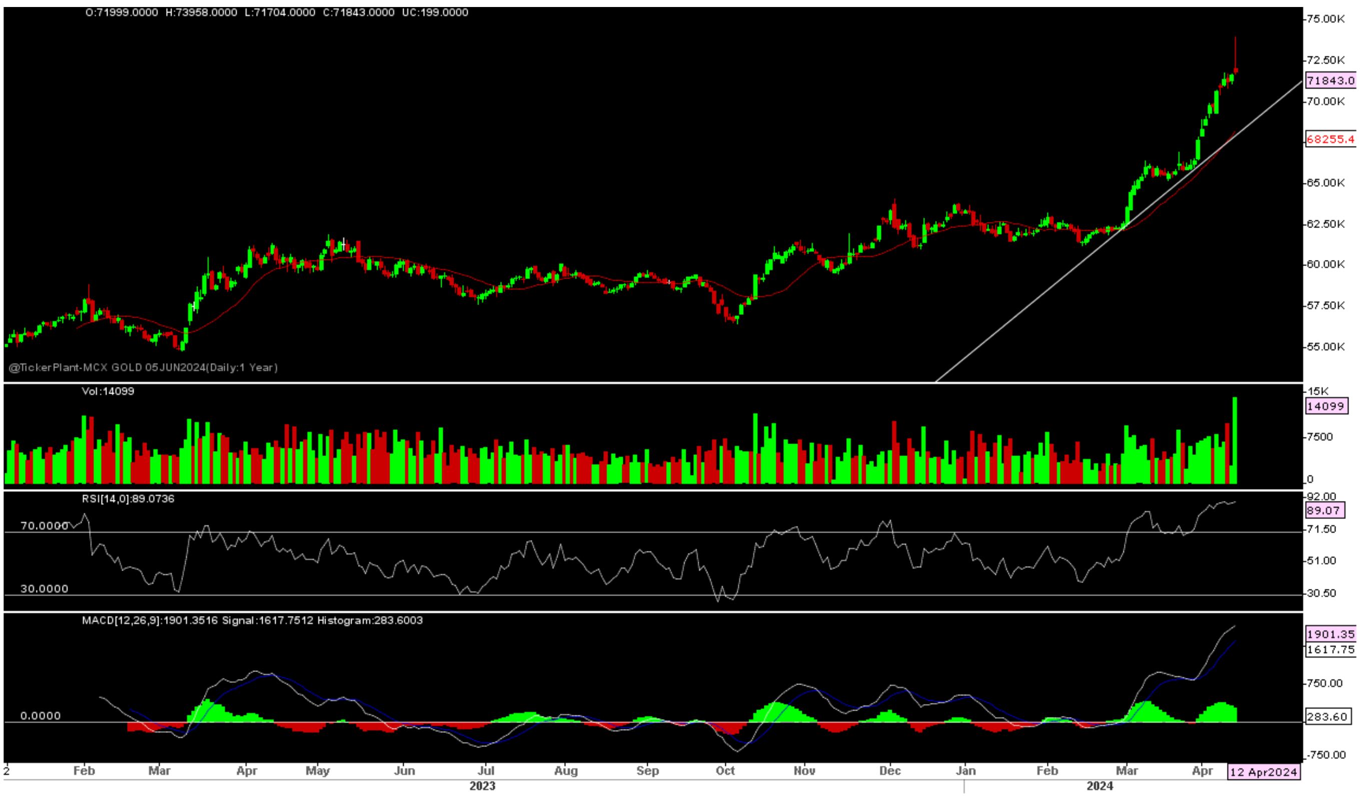
Technical Outlook:

On the Daily Chart MCX:



Sources – Ticker Plant and Bonanza Research

In COMEX GOLD is trading at $2343

Expected support and Resistance level for the month

Gold	S1	S2	R1	R2
COMEX/DG CX ($)	2320	2265	2395	2435
MCX (Rs.)	70800	69300	72800	74000

Mcx Trend seen Bullish as long S1 hold, while Sustain close above R2 seen prices towards 74900-75000.

SILVER

Technical Outlook:

On the Daily Chart MCX:

Sources – Ticker Plant and Bonanza Research

Expected support and Resistance level for the month

Silver	S1	S2	R1	R2
COMEX/DG CX ($)	27.50	26.25	29.0	29.80
MCX (Rs.)	81600	78600	84400	85200

MCX trend seen Bullish as long hold S1, While Sustain above 85000-85200 seen towards 86500 - 87000.

CRUDE OIL

Market Outlook and Fundamental Analysis

Energy complex register 3rd consecutive monthly gain in March due to supply disturbance after ongoing geopolitical tension added by production cut announce by OPEC+ which fuel rally for crude oil in expectations of imbalance in supply-demand scenario added by fall in dollar index rally crude oil during the month March. Benchmark Brent crude and WTI rally almost 7% each during the month March.

In its latest OPEC+ meet, A meeting of senior OPEC+ ministers kept oil output policy unchanged and pressed some countries to increase compliance with output cuts. A ministerial committee (JMMC) of the OPEC and allies led by Russia, known as OPEC+, met online to review the market and members' implementation of output cuts. OPEC+ members, led by Saudi Arabia and Russia, last month agreed to extend voluntary output cuts of 2.2 million barrels per day (bpd) until the end of June to support the market. Data from S&P Commodity Insights, known as Platts, showed the group overproduced by a net 275,000 bpd in January and by 175,000 bpd in February. Platts is one of the secondary sources used by OPEC+ to assess its members' production. When the voluntary curbs expire at the end of June, the total cuts by OPEC+ are set to decline to 3.66 million bpd as agreed in earlier steps starting in 2022.

OPEC oil output fell last month, a Reuters survey found, reflecting lower exports from Iraq and Nigeria against a backdrop of ongoing voluntary supply cuts by some members agreed with the wider OPEC+ alliance. The Organization of the Petroleum Exporting Countries pumped 26.42 million barrels per day (bpd) last month, down 50,000 bpd from February, the survey, based on shipping data and information from industry sources, found.

OPEC in its latest monthly report, OPEC stuck to its forecast for relatively strong growth in global oil demand in 2024 and 2025, and further raised its economic growth forecast for this year saying there was more room for improvement. The OPEC said in a monthly report that world oil demand will rise by 2.25 million barrels per day (bpd) in 2024 and by 1.85 million bpd in 2025. Both forecasts were unchanged from last month. In the report, OPEC said a "robust dynamic" for economic growth towards the end of 2023 was expected to extend into the first half of 2024 and raised its 2024 economic growth forecast by 0.1 percentage points, following a hike last month. "The 2024 and 2025 growth trajectories of India, China, as well as the United States, could exceed current expectations." OPEC has stuck to the same demand growth figure since making its first 2024 prediction last July.

OPEC now sees world economic growth of 2.8% in 2024, supported by the expectation of a continued easing in general inflation throughout this year. It kept next year's forecast steady at 2.9%.

The IEA, which represents industrialised countries, said in its monthly report, U.S. crude oil production dropped in January to 12.5 million barrels per day (bpd), a 6% decline from December's record high, following freezing weather, data from the Energy Information Administration showed. The weather also hit consumption of motor fuel in January, and gasoline product supplied, a proxy for demand, fell by about 600,000 bpd to 8.2 million bpd, its lowest in two years, according to the EIA's monthly petroleum status report. Gross natural gas production in the U.S. Lower 48 states fell about 3.6% to a record 114.1 billion cubic feet per day (bcfd) in January, up from the previous record of 118.4 bcfd in December, the EIA said.

The U.S. Energy Information Administration (EIA) predicted that domestic oil production will grow by 260,000 barrels per day (bpd) in 2024, up 90,000 barrels per day (bpd) from its previous forecast, but said estimated production cuts from OPEC+ will still slow global oil growth. U.S. crude oil production will rise to 13.19 million barrels per day (bpd) this year, the EIA said in its Short-Term Energy Outlook (STEO). It had previously projected that crude production would rise this year by 170,000 bpd. U.S. crude oil output reached a record 13.3 million bpd in December 2023, following sustained productivity increases at new wells. Production notched an annual record of 13.21 million bpd in 2023. U.S. oil production is expected to rise by 460,000 bpd to 13.65 bpd in 2025, which would be a record high. The U.S. EIA predicted world oil demand output would grow by 1.43 million bpd year-on-year, up 10,000 from its previous forecast and in line with the International Energy Agency. The EIA also raised its 2025 world oil demand growth forecast by 90,000 bpd, anticipating a 1.38 million barrel year-on-year increase. U.S. total petroleum consumption is expected to rise by 200,000 bpd to 20.4 million bpd in 2024, and then by another 200,000 bpd to 20.6 million bpd in 2025 – higher than previously forecast, the EIA said.

U.S. power consumption will rise to record highs in 2024 and 2025, the U.S. Energy Information Administration (EIA) said in its Short Term Energy Outlook (STEO) EIA projected power demand will rise to 4,099 billion kilowatt-hours (kWh) in 2024 and 4,128 billion kWh in 2025. That compares with 4,000 billion kWh in 2023 and a record 4,003 billion kWh in 2018. EIA said natural gas' share of power generation would hold at 42% in 2024, the same as 2023, before easing to 41% in 2025. Coal's share will drop from 17% in 2023 to 15% in 2024 and 14% in 2025 as renewable output rises. The percentage of renewable generation will rise from 21% in 2023 to 24% in 2024 and 25% in 2025, while nuclear power's share will hold at 19% in 2023, 2024 and 2025.

In its latest weekly inventory data from the U.S. EIA shows, U.S. crude stocks rose unexpectedly last week, while gasoline and distillate inventories fell more than expected, as refining activity slowed, the Energy Information Administration said. Crude inventories rose by 3.2 million barrels to 451.4 million barrels in the week to March 29, compared with analysts' expectations in a Reuters poll for a 1.5 million-barrel draw. U.S. gasoline stocks, meanwhile, fell by 4.3 million barrels in the week to 227.8 million barrels, compared with analysts' expectations in a Reuters poll for an 800,000-barrel draw. Distillate stockpiles, which include diesel and heating oil, fell by 1.3 million barrels in the week to 116.1 million barrels, versus expectations for a roughly 600,000-barrel drop. Refinery crude runs fell by 35,000 barrels per day, and Refinery utilization rates shed 0.1% in the week.

The International Energy Agency on Thursday raised its view on 2024 oil demand growth for a fourth time since November as Houthi attacks disrupt Red Sea shipping, though it remains far less bullish than producer group OPEC. World oil demand will rise by 1.3 million bpd in 2024, the IEA said in its latest report, up 110,000 bpd from last month. The IEA had initially forecast 2024 demand growth of 860,000 bpd in June 2023. Demand rose by 2.3 million bpd last year. It expects China's demand growth to slow to 620,000 bpd from 1.7 million bpd in 2023. On the supply side, the IEA said growth from non-OPEC+ countries would continue to significantly eclipse oil demand expansion in 2024, although extended cuts by some OPEC+ members had tightened the balance.

U.S. energy firms n last week of march cut the number of oil and natural gas rigs operating for a second week in a row for the first time since mid-January, energy services firm Baker Hughes said in its closely followed report. The oil and gas rig count, an early indicator of future output, fell by three to 621 in the week to March 28. The total count was down 134 rigs, or 18% below this time last year, according to the company. Baker Hughes said oil rigs fell three to 506 this week, while gas rigs were unchanged at 112, holding at their lowest since January 2022.

U.S. crude oil stockpiles in the Strategic Petroleum Reserve (SPR) at year-end will be at or exceeding the level prior to a massive 180 million barrel sale two years ago, U.S. Energy Secretary Jennifer Granholm said.

China boosted inventories of crude oil in the first two months of the year, a move that gives refiners options to trim imports in coming months if they deem prices have risen too high. A total of 570,000 barrels per day (bpd) were added to strategic or commercial inventories in the January-February period, according to calculations based on official data. China doesn't disclose the volumes of crude flowing into or out of strategic and commercial stockpiles, but an estimate can be made by deducting the amount of crude processed from the total of crude available from imports and domestic output. The total volume of crude available in the first two months was 15.02 million bpd, consisting of imports of 10.74 million bpd and domestic production of 4.27 million bpd. Refineries processed 14.45 million bpd in the January-February period, leaving a surplus of 570,000 bpd available for commercial or strategic storages.

Asia's imports of crude oil are expected to rise to the highest in 10 months as heavyweights China and India lifted arrivals from Russia, but impending maintenance schedules and rising prices mean such levels may not be sustained. The world's top importing region is forecast to see arrivals of 27.48 million barrels per day (bpd) in March, up from 26.70 million bpd in February and January's 27.18 million bpd, according to data compiled by LSEG Oil Research.

Saudi Arabia has raised the official selling price (OSP) for its flagship Arab Light crude oil for customers in Asia and the Mediterranean in May, an Aramco statement showed. Saudi Aramco set the OSP for Asian buyers at a $2.00 premium to the Oman/Dubai average, up by 30 cents from the April price.

Saudi Arabia's crude oil exports fell in January for a second straight month, latest data from the Joint Organizations Data Initiative (JODI) showed. Crude exports from the world's largest oil exporter dipped 0.2% to 6.297 million barrels per day (bpd), down from 6.308 million bpd in December. The country's crude production rose to 8.956 million bpd from 8.944 million bpd in December. Data also showed that Saudi refineries' crude throughput edged up 0.010 million bpd to 2.425 million bpd and direct crude burning rose by 5,000 bpd to 308,000 bpd in January.

Venezuela's oil exports in March rose to the highest level since early 2020 as customers rushed to complete purchases ahead of the likely expiration of a temporary U.S. license that has allowed the country to freely sell its crude, according.

Russian oil firms face delays of up to several months to be paid for crude and fuel as banks in China, Turkey and the United Arab Emirates (UAE) become more wary of U.S. secondary sanctions, sources familiar with the matter said. The West has imposed a multitude of sanctions on Russia after it invaded Ukraine in February 2022. Dealing with Russian oil is not illegal as long as it is sold below a Western-imposed price cap of $60 per barrel.

India, the world's third-biggest oil importer and consumer, fuel consumption fell 0.6% year-on-year in March, but demand for the 2024 financial year was up about 5%, primarily driven by higher automotive fuel and naphtha sales. Total consumption, a proxy for oil demand, totalled 21.09 million metric tons (4.99 million barrels per day) in March, down from 21.22 million tons (5.02 mbpd) last year, preliminary data from the Petroleum Planning and Analysis Cell (PPAC) of the oil ministry showed. However, fuel demand for the 2024 financial year, ending in March, hit a record high of 233.276 million tons (4.67 mbpd) compared to 223.021 million tons (4.48 mbpd) a year earlier. Sales of diesel, mainly used by trucks and commercially run passenger vehicles, rose 3.1% year-on-year to 8.04

million tons in March and was up 4.4% for the previous fiscal year. Sales of gasoline in March rose 6.9% year-on-year to 3.32 million tons and were up 6.4% for the fiscal year.

The Indian government has raised its windfall tax on petroleum crude for the fifth time since February to 6,800 Indian rupees ($81.43) a metric ton from 4,900 rupees with effect from April 4, the government said in a notification. The windfall tax, which is revised fortnightly, remains at zero for diesel and aviation turbine fuel.

India's import of Russian oil edged up in February over January, reversing declines seen in the past two months, data from industry sources showed, as refiners received some parcels of Russian light sweet Sokol grade. The South Asian nation emerged as the top buyer of Russian oil in 2023 after some entities and nations retreated from purchases in December 2022. Russian oil made up about 32% of India's overall oil imports in February, compared with 28% the previous month, the data showed. India's overall imports last month declined 10% from January to 4.72 million bpd, the data showed. That decline is steeper than preliminary government data as it included some parcels that arrived in February and were discharged in March. The share of South American nations in India's total oil imports in February rose because of higher intake of Venezuelan oil by Indian refiners. In February, Venezuela was the fourth biggest supplier to India. In the same month, Indian refiners cut imports from Iraq by 32% from January to 861,200 bpd, while raising purchases from Saudi Arabia by 13.8% to 801,700 bpd, the data showed. That led to OPEC's share in India's monthly imports rising to about 56% in February from 54% in January, it showed.

Going ahead, Prices likely to be trade between weak global growths to cap demand against ongoing geopolitical tensions could provide support to prices. Other side, OPEC+, will be able to commit to the supply cuts they have pledged to prop up prices.

Technical Outlook:-

On the Daily Chart MCX:

Sources – Ticker Plant and Bonanza Research

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Expected Support and Resistance level for the month

Crude	S1	S2	R1	R2
NYMEX/DG CX ($)	84.50	80.0	88.0	92.0
MCX (Rs.)	7050	6700	7325	7500

MCX trend seen Bullish as long hold S1, While Sustain Close above 7325 seen towards R2-7700.

Natural Gas

Technical Outlook:

On the Daily Chart MCX:

Sources – Ticker Plant and Bonanza Research

Natural Gas	S1	S2	R1	R2
MCX (Rs.)	142	132	162	170

MCX trend seen Bearish as long hold R1, While Sustain Close below 142 seen towards 136-132 belt.

Base Metals

Market Outlook and Fundamental Analysis

COPPER:

Base metal complex witness monthly gain on March after register 2-consecutive monthly fall mainly because of demand optimism from top metal consumer China after few of positive data including manufacturing and exports, added by rate cut hope from US FED as early in June which dampen dollar index and support base metals pries and due to expected supply disturbance for many of the metals support prices in march month. However profit booking and technical base sell off seen during the month which resulted in price close month well below its monthly high. Benchmark Copper register straight 5th monthly gain by 4% while Zinc and Aluminum gain 1% and 3% against and Lead down 4-streight monthly loss by 1% in domestic future exchanges for March month.

China world's second-biggest economy, China's manufacturing activity expanded at the fastest pace in 13 months in March, with business confidence hitting an 11-month high, as Caixin/S&P Global manufacturing PMI rose to 51.1 in March from 50.9 the previous month, above analysts' forecasts of 51.0 and marking an expansion for the fifth consecutive month. The 50-poin Factory activity in many Asia economies weakened in March but there were some brighter signs in China and South Korea, surveys and data showed, offering a mixed picture on key driver of the global economy. Manufacturing activity was weak in most parts of Asia including export powerhouses Japan and South Korea, as well as Taiwan, Malaysia and Vietnam.

China's factory output and retail sales beat expectations in the January-February period, marking a solid start for 2024, as Industrial output rose 7.0% in the first 2-months of the year, above expectations for a 5.0% increase in a Reuters poll of analysts and faster than the 6.8% growth seen in December. It also marked the quickest growth in almost two years. Retail sales, a gauge of consumption, rose 5.5%, slowing from a 7.4% increase in December but beating an expected 5.2% gain. However, a protracted crisis in the property sector, a key pillar of the economy, remains a major concern for policymakers, consumers and investors.

Global petroleum inventories are only slightly below the long-term seasonal average but futures prices have already moved into a steep backwardation as traders anticipate they will deplete further over the rest of 2024. OECD commercial inventories of crude oil and refined products are estimated to have been around 75 million barrels (-3% or -0.48 standard deviations) below the prior ten-year seasonal average at the end of February.

China left benchmark lending rates unchanged at a monthly fixing, in line with market expectations, after the central bank kept a key policy rate steady last week amid some signs of improvement in the broad economy. The one-year loan prime rate (LPR) was kept at 3.45%, while the five-year LPR was unchanged at 3.95%. Outstanding yuan loans grew 10.1% in February from a year earlier - the lowest on record.

Chinese top copper smelters came to a rare agreement to jointly embark on production cuts at some loss-making plants as they seek to cope with a shortage of raw material, according to sources with knowledge of the plans. There were no specific rates or volumes set for the cuts and each smelter will make their own assessment of reductions they want to implement. The agreement, made at a meeting in Beijing, comes as fees to process copper concentrate on the spot market have dropped to their lowest in more than a decade.

India's manufacturing industry enjoyed solid growth in March, expanding at the fastest pace in 16 years thanks to accelerating demand, according to a survey that also showed hiring increased at the strongest rate in six months. The HSBC final India Manufacturing Purchasing Managers' Index, compiled by S&P Global, rose to 59.1 last month from February's 56.9, the highest since February 2008, but slightly lower than a preliminary estimate of 59.2. That puts the reading above the 50-mark, which separates growth from contraction, for a 33rd consecutive month - the longest streak since July 2013.

Going ahead, weak economic numbers, demand concern from top consuming countries weigh on process for short term while FED rate cut expectation which might revive demand for base metals and any fall in dollar index will support base metals at every dip.

Base Metals

TECHNICAL OUTLOOK:

COPPER:

Sources – Ticker Plant and Bonanza Research

Expected Support & Resistance level for the month

Copper	S1	S2	R1	R2
MCX	814	793	834	842

MCX trend seen Bullish as long hold S1, While Sustain above 834 & 842 seen towards 857-860 belt.

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LEAD:

Technical Outlook:

Sources – Ticker Plant and Bonanza Research

Expected support and Resistance level for the month

Lead	S1	S2	R1	R2
MCX	184	179	190	194

MCX trend seen bullish as long hold S1 while Sustain Close above 190 seen 194-195 belt.

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ZINC

TECHNICAL OUTLOOK:

Sources – Ticker Plant and Bonanza Research

Expected Support & Resistance level

Zinc	S1	S1	R1	R2
MCX	240.0	229	251	257

MCX trend seen bullish as long hold S1, While Sustain below 240 seen again towards 232-S2.

NICKEL

TECHNICAL OUTLOOK:

No View due to Low Volumes

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DATE-April 12th, 2024

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