MONTHLY BULLETIN (RESEARCH) Date 7th Aug 2021

GOLD

Market Outlook and Fundamental Analysis:

After register worst month in more than 4-years in June, Bullion recover towards end of the month thanks to FED latest statement which force profit booking in dollar and some fresh buying for non yield safe haven bullion. Gold gain inch above 2% against silver lost almost 2% for the month July. In last week of the month, gold hit a 2-week peak after Powell said the U.S. job market still had some ground to cover before the Fed would pull back support. It is to be noted that, Gold prices fell 7% last month to register their biggest monthly decline since November 2016, following a hawkish tilt from the U.S. central bank.

US Nonfarm payrolls, a gauge for economy & interest rates, U.S. job growth powered ahead and the unemployment rate fell in July amid demand for workers in the labor-intensive services sector, quashing fears of a hiring slowdown and suggesting the economy began the second half of the year with strong momentum. Nonfarm payrolls increased by 943,000 jobs last month after rising by 938,000 in June. Economists polled by Reuters had forecast payrolls would increase by 870,000 jobs. Estimates ranged from as low as 350,000 to as high as 1.6 million. Employment is now 5.7 million jobs below its peak in February 2020. The unemployment rate fell to 5.4%, the lowest level since March 2020, from 5.9% in June. U.S. private payrolls increased far less than expected in July as shortages of workers and raw materials constrained hiring in the manufacturing and construction industries. Private payrolls rose by 330,000 jobs last month, less than half of the 695,000 that had been anticipated by a Reuters survey of economists. The ADP report is jointly developed with Moody's Analytics

US GDP increased at a 6.5% annualized rate last quarter in its advance estimate of second-quarter GDP. The economy grew at a revised 6.3% rate in the first quarter. Economists polled by Reuters had forecast GDP rising at an 8.5% rate last quarter. With the second-quarter estimate, the government published revisions to GDP data, which showed the economy contracting 3.4% in 2020, instead of 3.5% as previously estimated. That was still the biggest drop in GDP since 1946.

On data side, a measure of U.S. services industry activity jumped to a record high in July, boosted by the shift in spending to services from goods, but businesses continued to face rising prices because of supply chain constraints. Euro zone business activity roared in July, expanding at its fastest pace in 15 years, as the lifting of more coronavirus restrictions and an accelerated vaccine drive injected life into the bloc's dominant service industry, a survey showed. U.S. manufacturing activity grew at a slower pace in July for the second straight month as raw material shortages persisted, though there are signs of some easing in the supply-chain bottlenecks. China's economy grew slightly more slowly than expected in the second quarter, weighed down by higher raw material costs and new COVID-19 outbreaks, as expectations build that policymakers may have to do more to support the recovery. GDP expanded 7.9% in the April-June quarter from a year earlier, official data showed, and missing expectations for a rise of 8.1% in a Reuters poll of economists. Growth slowed significantly from a record 18.3% expansion in the January-March period, when the year-on-year growth rate was heavily skewed by the COVID-induced slump in the first quarter of 2020.

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Global exchange-traded funds (ETFs) have attracted record investments this year, driven by a rally in equities, low interest rates and ample cheap cash. According to Refinitiv data, global ETFs received a combined inflow of $639.8 billion in the first half of this year, more than double the same period last year.

The International Monetary Fund maintained its 6% global growth forecast for 2021, upgrading its outlook for the United States and other wealthy economies but cutting estimates for developing countries struggling with surging COVID-19 infections.

Net gold imports of gold into the world's biggest bullion consumer China via Hong Kong jumped nearly 42% last month after a slump in May, latest data showed.

India's gold imports in July more than doubled from a year earlier to their highest level in three months as demand improved after states lifted lockdown restrictions, allowing retail consumers to make purchases for weddings, a government source said. India imported 74 tonnes of gold in July, compared to 32 tonnes a year earlier, according to sources. India's move to make hallmarking of gold jewellery and artefacts mandatory from mid-June has disrupted trade due to limited capacity of hallmarking centers, All India Gem and Jewellery Domestic Council.

Meanwhile, holdings in the SPDR Gold Trust, the world's largest gold-backed exchange-traded fund, rose 0.6% to 1,031.46 tonnes on last day of the month, marking the first inflow in about a month. The ETF has seen outflows of about 20 tonnes in July.

Russia's central bank said the country's gold reserves stood at 73.7 million troy ounces at the start of July.

The Reserve Bank of India held rates at record lows on its latest policy meet, but it raised its inflation forecast and said it would normalise liquidity conditions in a signal that policymakers could be edging closer to tapering pandemic-induced stimulus. As widely forecast, the RBI held the repo rate, its key lending rate, at 4% and kept the reverse repo rate, the borrowing rate, unchanged at 3.35%.

On domestic Data update, Activity in India's dominant services industry shrank for a third consecutive month in July as restrictions to control the coronavirus pandemic hit demand, with companies turning the most pessimistic in a year, a private survey showed on Wednesday.

Going ahead, 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.

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Technical Outlook:

On the Daily Chart:

In COMEX GOLD is trading at $1751

Expected support and Resistance level for the month

Gold	S1	S2	R1	R2
COMEX/DG CX ($)	1715	1685	1765	1805
MCX (Rs.)	45650	45300	47600	48500

RECOMMENDATION:

MCX Gold Dec: Buy ONLY above 47600 Stop Loss 47300 Targets 48200-48500.
Sell below 45650 Stop Loss 46000 Target 45000-44800.

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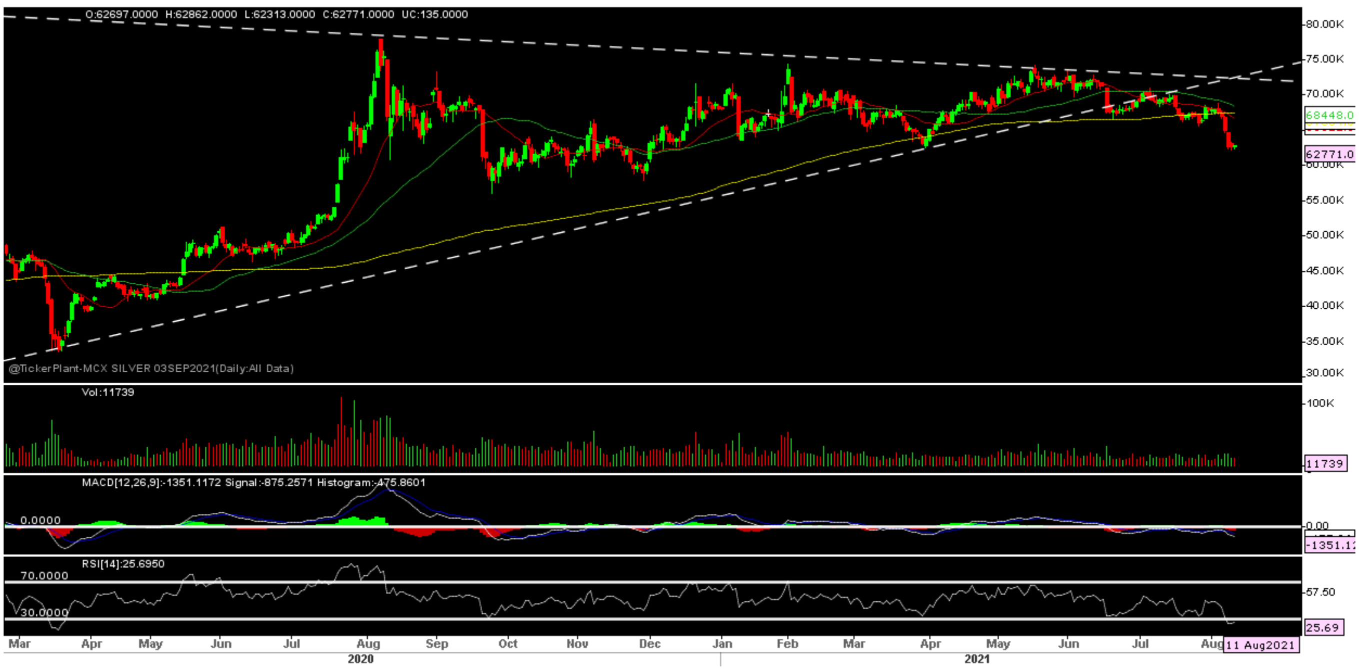
SILVER

Technical Outlook:



On the Daily Chart:

Expected support and Resistance level for the month

Silver	S1	S2	R1	R2
COMEX/DG CX ($)	23.20	22.50	24.40	25.25
MCX (Rs.)	62100	61000	64700	67000

RECOMMENDATION:

MCX Silver Dec: Buy Only above 67000 Stop Loss below 65900 Targets 68200-68800
Sell below 62100 & 62000 S/L above 63000 Target 61000-60000.

CRUDE OIL

Market Outlook and Fundamental Analysis

Energy complex continue its upward journey in 4th consecutive month with benchmark Brent & WTI both gain inch above 1% to hit oct 2018 high thanks to economic rebound globally after fast vaccination against new coronavirus outbreaks were reported from a variant of the virus in western as well Asian countries cap gain at higher level.

Meanwhile, the Organization of the Petroleum Exporting Countries and allies (OPEC+) will start hiking monthly supplies by 400,000 barrels a day beginning in August. The hikes will continue until all OPEC+ production halted thanks to COVID-19 is revived, and it is expected that the market will be able to absorb these additional barrels as demand grows through the second half of 2021.

Earlier this month the Organization of the Petroleum Exporting Countries and allies like Russia, together known as OPEC+, agreed to increase oil supply by 2 million barrels per day (bpd) from August until December 2021, after prices hit nearly 2-1/2 year highs.

OPEC oil output rose in July to its highest since April 2020, a Reuters survey found, as the group further eased production curbs under a pact with its allies and top exporter Saudi Arabia phased out a voluntary supply cut. The Organization of the Petroleum Exporting Countries has pumped 26.72 million barrels per day (bpd), the survey found, up 610,000 bpd from June's revised estimate. Output has risen every month since June 2020 apart from in February. OPEC and allies, known as OPEC+, have been unwinding record output cuts agreed in April 2020, as demand and the economy recover. With oil prices rising to a 2 1/2-year high, OPEC+ decided this month on further hikes from August.

Data on last week of the month from the U.S. Energy Information Administration, U.S. crude oil stockpiles rose, while gasoline inventories fell, in a signal of steady demand for fuel, according to the EIA latest weekly data. Crude inventories rose by 3.6 million barrels in the week to July 30 to 439.2 million barrels, compared with analysts' expectations in a Reuters poll for a 3.1 million-barrel drop. Gasoline stocks fell by 5.3 million barrels, the EIA said, far more than expectations for a 1.8 million-barrel drop. Distillate stockpiles, which include diesel and heating oil, rose by 833,000 barrels, versus expectations for a 543,000-barrel drop.

U.S. President Joe Biden will sign an executive order aimed at making half of all new vehicles sold in 2030 zero-emissions vehicles and will propose new vehicle-emission rules to cut pollution through 2026, the White House said.

India's fuel demand rose 7.9 percent in July compared with the same month last year. Sales of gasoline, or petrol, were 16.4 percent higher from a year earlier at 2.63 million tonnes. India's daily gasoline consumption exceeded pre-pandemic levels last month as states relaxed COVID-19 related lockdowns while gasoil sales were low, signaling subdued industrial activity in July, and showed preliminary sales data of state fuel retailers.

Going ahead, Oil prices are unlikely to mount much of a recovery in 2021 as a new coronavirus variant and related travel restrictions threaten already weakened fuel demand. A new variant of the coronavirus 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:-

On the Daily Chart:

Expected Support and Resistance level for the month

Crude	S1	S2	R1	R2
NYMEX/DG CX ($)	65	61.50	70.25	74.25
MCX (Rs.)	4960	4840	5210	5350

RECOMMENDATION:

MCX Crude: Sell below 4960 Stop Loss above 5080 Target 4830-4750.
Buy above 5210 Stop Loss below 5100 Target 5350-5500

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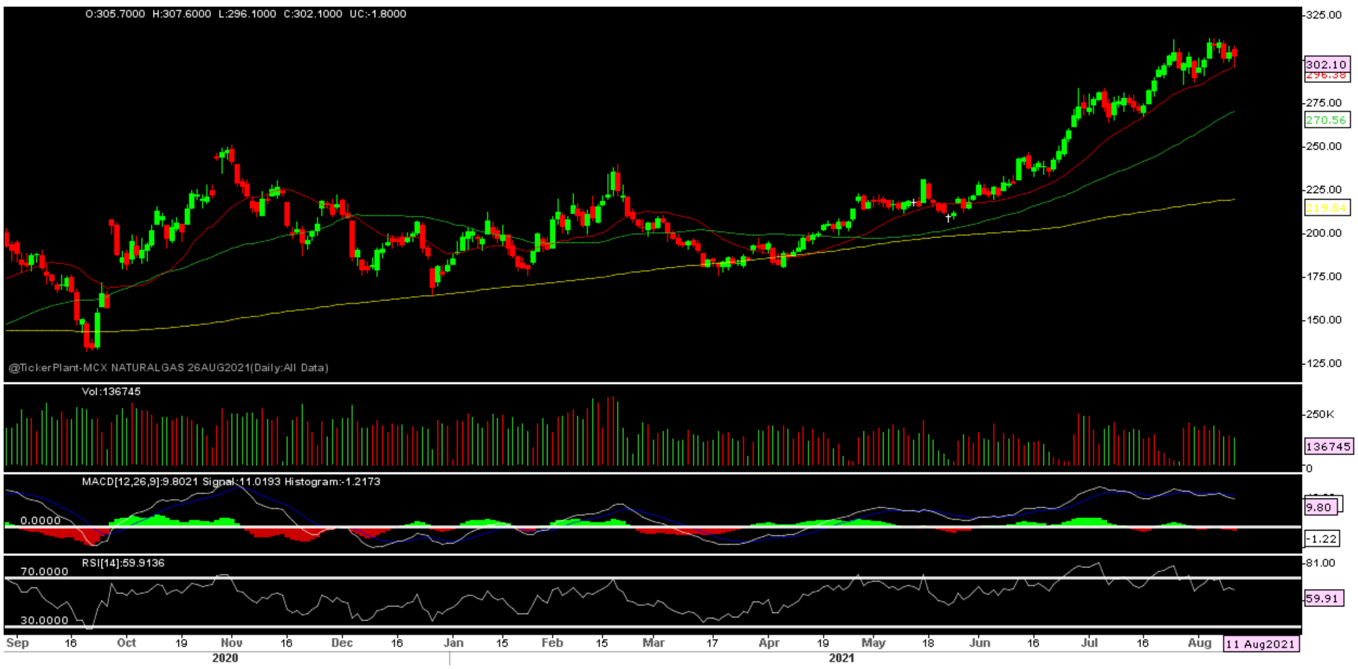
Natural Gas

Technical Outlook:



RECOMMENDATION:

MCX NG : Buy above 308 Stop Loss below 296 for Targets of 322-330.
Sell below 295 S/L above 303 Target 285-281 Range

Base Metals

Market Outlook and Fundamental Analysis

COPPER:

Base metals seen mostly range bound with mild recovery at end of the month amid weakness from slowdown in China & strategic sales of metals added by rally in dollar index which pressure prices against support from opening of global trade after fast vaccination and depleting stocks for few of the metals. Aluminium prices, hovering near a 11-year high, on supply worries in China amid a fresh round of electricity restrictions in major producing province of Yunnan. LME aluminum at its highest since April 2018 with 6th straight monthly gain in July.

Used in power and construction, Copper hit its all time high in May on the back of a global economic recovery, rising investments into renewable energy and electric vehicles, as well as a tight supply outlook. Still it is up around 25% this year after rising 26% in 2020, with expectations that strong demand and tight supply could push prices still higher.

Latest numbers from top metal consumer China shows, factory gate inflation in July rose at a faster clip from the previous month and exceeded market expectations, adding to strains on an economy losing recovery momentum as businesses struggle with high raw material costs. China's exports in July rose 19.3% from a year earlier, and imports increased 28.1%, customs data showed. China posted a trade surplus of $56.58 billion in July, compared with the poll's forecast for a $51.54 billion surplus and $51.53 billion surplus in June. China's factory activity growth slipped sharply in July as demand contracted for the first time in over a year in part on high product prices, a business survey showed on Monday, underscoring challenges facing the world's manufacturing hub. The Caixin/Markit Manufacturing Purchasing Managers' Index (PMI) fell to 50.3 last month from 51.3 the month before, the lowest level since April 2020. Analysts polled by Reuters had expected the index to ease to 51.1. The 50-mark separates growth from contraction on a monthly basis.

Sales of new U.S. single-family homes tumbled to a 14-month low in June and sales in the prior month were weaker than initially estimated, suggesting that expensive building materials and the resulting surge in prices for properties were restraining the housing market.

Copper stocks in Shanghai Futures Exchange (ShFE) warehouses are below 100,000 tonnes from almost 230,000 tonnes in May, and Yangshan copper import premiums have doubled since the start of July, pointing to rising demand for overseas metal. However, inventories in LME-registered warehouses, at 230,225 tonnes, are the highest since June 2020.

Aluminium inventories in ShFE warehouses were last registered at 266,666 tonnes, hovering near their lowest level since Feb. 5. Stockpiles of the metal in LME warehouses have dropped by nearly a third since March to 1.4 million tonnes.

Other side, The global world refined copper market showed a deficit of 75,000 tonnes in April, compared with 13,000 tonnes deficit in March, the International Copper Study Group said in its latest monthly bulletin.

The global nickel market deficit widened to 21,300 tonnes in May compared a shortfall of 20,400 tonnes in April, data showed.

The global zinc market was under-supplied by 17,900 tonnes in May following a deficit of 13,800 tonnes in April, data from the International Lead and Zinc Study Group showed.

Separately, China's copper imports fell for a third straight month in June, customs data showed, as high prices and slowing manufacturing growth weighed on demand in the world's top consumer of the metal. Imports of unwrought copper and copper products were 428,438 tonnes last month, the General Administration of Customs said. That was down 3.9% from 445,725 tonnes in May and down 34.7% from 656,483 tonnes in June 2020, then a monthly record. In the first half of 2021, copper imports were 2.79 million tonnes, down 1.6% on the year, customs said.

Going ahead, A year into the coronavirus 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.

Base Metals

TECHNICAL OUTLOOK:

COPPER:

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Expected Support & Resistance level for the month

Copper	S1	S2	R1	R2
MCX	717	690	742	762

RECOMMENDATION:

COPPER MCX:- Sell below 725 Stop Loss above 735 Target 700-690 Range.
Buy above 742 Stop loss below 732 Target 760-765.

LEAD:

Technical Outlook:

Expected support and Resistance level for the month

Lead	S1	S2	R1	R2
MCX	177	169	182	190

RECOMMENDATION:

LEAD M MCX: - Sell below 177 Stop Loss above 182 Target 170-168.
Buy Only above 182 Stop Loss below 177 Target 188-192

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ZINC

TECHNICAL OUTLOOK:

Expected Support & Resistance level

Zinc	S1	S1	R1	R2
MCX	245.5	237	252	257

RECOMMENDATION:

ZINC MCX :- Sell Only below 243 Stop Loss above 248 Target 237-232 Range
Buy above 252 Stop Loss below 247 Target 258-260

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NICKEL

TECHNICAL OUTLOOK:

Expected Support & Resistance level

Nickel	S1	S1	R1	R2
MCX	1440	1415	1485	1510

RECOMMENDATION:

Nickel MCX :- Sell below 1415 Stop Loss above 1440 Targets 1380-1360
Buy Only above 1485 Stop Loss below 1440 Targets 1530-1560

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BONANZA COMMODITY BROKERS PVT. LTD.

DATE- Aug 7th, 2021

Disclosure:

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