

GOLD

Market Outlook and Fundamental Analysis:

After a sharp rally on last month of last year, bullion seen consolidating and fall in last week after initial rally thanks to Rally in Dollar index & US Bond yield. Dollar get strong after expectations that US FED will end stimulus soon & likely to increase interest rates as soon march meeting with 3-hikes of 25 bps for the year ahead. This force investors towards safer assets from non yield Bullion. Spot gold down 1.7%, its worst monthly performance since September, Silver fall 3.6%. Against this Palladium seen its best month in 14-years, a monthly gain of 24.6% and platinum gain 1.2%, its best month since Oct.

On last week of the month Jan, gold fall about 2.5%, Silver about 8% against this dollar register its biggest weekly rise of last 7-months, making gold more expensive for holders of other currencies. Gold prices slipped below its 100-day and 200-day moving averages in the last session, after the U.S. Federal Reserve reaffirmed plans to end its pandemic-era bond purchases and signalled an interest rate hike in March.

The Fed plans to raise rates in March on the assumption the economy will largely steer clear of fallout from the Omicron coronavirus variant and keep growing at a healthy clip. The reality of five Fed rate hikes possibly this year has spooked the gold market a little bit, and gold is competing with bonds since it doesn't earn interest. The dollar has risen against other currencies based on expectations of Fed rate hikes, while other central banks haven't really started to move yet, which has created a problem for gold.

The U.S. economy created far more jobs than expected in January even as raging COVID-19 infections disrupted activity at consumer-facing businesses, pointing to underlying strength in the labor market. Nonfarm payrolls increased by 467,000 jobs last month. Data for December was revised higher to show 510,000 jobs created instead of the previously reported 199,000. Economists polled by Reuters had forecast 150,000 jobs added in January. U.S. private payrolls fell for the first time in a year in January as soaring COVID-19 infections disrupted business operations, raising the risk of a sharp decline in employment that would deal a temporary setback to the labor market. Private payrolls decreased by 301,000 jobs last month after increasing by 776,000 in December, the ADP National Employment report showed. That was the first drop in private payrolls since December 2020.

Economists polled by Reuters had forecast private payrolls would increase by 207,000 jobs.

However, gold's credentials as an inflation hedge are likely to attract renewed attention with rising stock market volatility amid a market adjusting to a rising interest rate environment. The World Gold Council (WGC) forecast that demand for jewellery, small bars and coins would remain strong in 2022 could limit bullion's decline. WGC also expects central banks to continue buying gold but at a slower pace.

According to the World Gold Council (WGC) latest report, Global demand for gold rose 10% last year but remained well below its level before the COVID-19 pandemic amid slack investor demand. Total demand for gold in 2021 was 4,021 tonnes, up from 3,659 tonnes in 2020 but well below the average during the 2010s of around 4,440 tonnes. Purchases of bars and coins preferred by small investors rose 31% last year to an eight-year high of 1,180 tonnes. Central banks bought 463 tonnes of gold in 2021, up from 255 tonnes in 2020 but below the more than 600 tonnes bought in 2018 and 2019. Exchange traded funds shrank their holdings by 173 tonnes in 2021 after accumulating a record-breaking 874 tonnes in 2020.

According to the World Gold Council (WGC), India's gold consumption is expected to rise further in 2022 after jumping 79% last year as pent-up demand and an improvement in consumer confidence are seen boosting retail jewellery sales. Gold consumption in 2022 will likely be 800-850 tonnes versus 797.3 tonnes last year; the highest in six years, Indian demand has averaged 769.7 tonnes over the last 10 years. In December quarter, gold consumption nearly doubled from a year ago to a record 343.9 tonnes as retail purchases were robust during the key Hindu festivals Dussehra and Diwali, the WGC said in a report.

China's net gold imports via Hong Kong surged in 2021 despite a dip in December from the previous month, as consumers stocked up on bullion to shield against economic risks. Net imports for last year stood at 334.1 tonnes, their highest since 2018 and an over sevenfold leap from 40.9 tonnes in the prior year.

Reflecting investor appetite, holdings of the world's largest gold-backed exchange-traded fund, SPDR Gold Trust, rose to the highest levels since mid-August

The Bank of England raised interest rates to 0.5% on Thursday and nearly half its policymakers wanted a bigger increase to contain rampant price pressures which the British central bank warned would push inflation above 7%. The European Central Bank kept policy unchanged as expected on Thursday, staying on track to

provide copious stimulus this year even as inflation runs at a record high, exceeding both the bank's 2% target and its projections. Making only the smallest change to its policy stance, the ECB removed a clause stipulating that its next policy move could be in "either direction".

On data side, U.S. consumer spending fell in December, suggesting the economy lost speed heading into the New Year amid snarled supply chains and raging COVID-19 infections, while annual inflation increased at a pace last seen nearly 40 years ago. The U.S. economy notched its strongest growth in nearly four decades in 2021 after the government injected trillions of dollars in COVID-19 relief. The economy grew 5.7% in 2021, the strongest since 1984. It contracted 3.4% in 2020, the biggest drop in 74 years. The stunning reversal came as gross domestic product increased at a 6.9% annualized rate in the fourth quarter. That followed a 2.3% growth pace in the third quarter. U.S. consumer confidence ebbed slightly in January, with more consumers planning to purchase homes, automobiles and other big ticket items even as they grew less optimistic about business and labor market conditions in the near term.

On domestic Data update, India's dominant services sector expanded at its slowest pace in six months in January as restrictions due to a new wave of COVID-19 cases and surging prices weighed on demand, a private survey showed. India has forecast its economy will grow 8% to 8.5% for the fiscal year starting in April, down from 9.2% projected in the current year, as it fights a spike in COVID-19 cases and rising inflationary pressure, according to the government's annual economic survey.

Going ahead, Heading into 2022, while concerns about the effect of the Omicron variant could support gold prices, higher Treasury yields might tarnish the metal's appeal. With U.S. 10-year yields set to hit 2% in 2022 along with transitory inflation, and of course higher interest rates, gold may be in for a downhill battle. In nutshell, Performance of financial markets, monetary policy in key economies including here, and the dollar movement will determine gold performance in 2022.

Technical Outlook:

On the Daily Chart:

In COMEX GOLD is trading at \$1832

Expected support and Resistance level for the month

Gold	S1	S2	R1	R2
COMEX/DG CX (\$)	1780	1750	1855	1880
MCX (Rs.)	48300	47500	48950	49400

Mcx Trend seen Bullish as long S1 hold support, While Sustain Close above 49000 seen Uprally

SILVER

Technical Outlook:

On the Daily Chart:

Expected support and Resistance level for the month

Silver	S1	S2	R1	R2
COMEX/DG CX (\$)	22	21.40	23.75	24.75
MCX (Rs.)	61500	60300	64000	65700

MCX trend seen sideways between 64000 - 61500

CRUDE OIL

Market Outlook and Fundamental Analysis

Energy complex continue its northward journey with benchmark Brent rally 17% in a month, the most since Feb 2021, hit its highest level since Oct 2014 and their 6th straight weekly gain, boosted by a supply shortages, expected demand revival from pandemic and political tensions in Eastern Europe & Middle East.

The OPEC and allies led by Russia, together known as OPEC+, agreed 1st week of this month to stick to moderate output increases of 400,000 barrels per day (bpd), with the group already struggling to meet existing targets and despite pressure from top consumers to raise production more quickly.

U.S. energy firms added oil and natural gas rigs for a record 18th month in a row after boosting the rig count again this week as oil prices soared to their highest since 2014, prompting more drillers to return to the well pad. The oil and gas rig count, an early indicator of future output, rose six to 610 in the week to Jan. 28, its highest since April 2020, energy services firm Baker Hughes Co said in its closely followed report.

Tight oil supplies pushed the six-month market structure for Brent into steep backwardation of \$6.92 a barrel, the widest since 2013. Backwardation exists when contracts for near-term delivery of oil are priced higher than those for later months, encouraging traders to release oil from storage to sell it promptly.

OPEC's share of Indian oil imports fell in 2021 to the lowest in more than a decade despite a 4% rebound in annual crude purchases by the world's third biggest oil importer, data obtained from industry sources showed. India's crude imports rebounded 3.9% to 4.2 million barrels per day (bpd) in 2021, the data showed, but remained below pre-pandemic levels in 2019.

Global oil refining capacity fell for the first time in 30 years last year, as new capacity was outweighed by closures, the IEA said in its monthly oil market report. Refining capacity was down by 730,000 barrels per day (bpd) in 2021, the IEA said, but net additions were expected to amount to 1.2 million bpd in 2022. Oil supply will soon overtake demand as some producers are set to pump at or above all-time highs, while demand holds up despite the spread of the Omicron coronavirus variant.

OPEC stuck to its forecast for robust growth in world oil demand in 2022 despite the Omicron coronavirus variant and expected interest rate hikes, predicting the oil market would remain well supported through the year. In a monthly report, OPEC said it expects world oil demand in 2022 to rise by 4.15 million barrels per day (bpd), unchanged from last month. Oil use will surpass the 100 million bpd mark in the third quarter, also in line with last month's forecast.

Going ahead, Global oil demand roared back in 2021 as the world began to recover from the coronavirus pandemic, and overall world consumption potentially could hit a new record in 2022 - despite efforts to bring down fossil fuel consumption to

mitigate climate change. For 2022, crude consumption is expected to reach 99.53 million barrels per day (bpd), up from 96.2 million bpd this year, according to the International Energy Agency. That would be a hair short of 2019's daily consumption of 99.55 million barrels. It is to be forecasted that, prices could resume their upward path in 2022 unless supply increases by more than expected. Canada, Norway, Guyana and Brazil should add supply in the coming year and U.S. oil production is expected to average 11.9 million bpd for 2022, according to EIA. However, Coronavirus cases are surging due to the highly contagious Omicron variant, and further outbreaks could slow the recovery in major economies.

Technical Outlook:-

On the Daily Chart:

Expected Support and Resistance level for the month

Crude	S1	S2	R1	R2
NYMEX/DG CX (\$)	86.5	82	93.5	98
MCX (Rs.)	6600	6375	6950	7200

Natural Gas

Technical Outlook:

Natural Gas	S1	S2	R1	R2
MCX (Rs.)	292	272	320	330

Base Metals

Market Outlook and Fundamental Analysis

COPPER:

Base metals seen range bound throughout the month except for few which hit multiyear high while some fall seen in the last week of the opening month with benchmark Copper down almost 1.3% for Jan. nickel best performer rally more than 8%, followed by Aluminum gain 7%, Zinc 1% and Lead ended flat.

At end of the month, On-warrant copper stocks slipped to a two-month low of 65,750 tonnes.

Global primary aluminium output fell 1.25% year on year in December to 5.622 million tonnes, data from the International Aluminium Institute showed. China's aluminium imports in December eased from the previous month, snapping three monthly gains, although imported volumes were strong enough to solidify 2021's position as a record year of shipments.

China's copper exports rose to an annual record in 2021, as higher international prices during some months last year encouraged traders to ship metals overseas. Annual shipments last year were at 932,451 tonnes, up from 744,457 in 2020. China, the world's top copper consumer and importer, rarely exports large volumes of the metal. But a jump in London Metal Exchange (LME) copper prices in May last year to record highs of \$10,747.50 per tonne incentivised exports from the country.

Latest numbers from top metal consumer China shows, China lowered mortgage lending benchmark rates as monetary authorities step up efforts to prop up the slowing economy, after data earlier in the week pointed to a darkening outlook for the country's troubled property sector. China's economy rebounded in 2021 with its best growth in a decade, helped by robust exports, but there are signs that momentum is slowing on weakening consumption and a property downturn, pointing to the need for more policy support. The economy grew 8.1% last year - its best expansion since 2011 - and faster than a forecast 8.0%. The pace was well above a government target of "above 6%" and 2020's revised growth of 2.2%. The economy recorded its weakest growth in 44 years in 2020 but staged a faster

recovery than other major economies. DGP grew 4.0% in the final quarter, faster than expected but still its weakest pace since the second quarter of 2020.

Going ahead, a year looks like normalization for metals with moderate increase in demand and supply concern which support prices at dip while roll back of stimulus by many central banks of globe pressure prices at higher level. Other side China had been a primary source of demand for base metals since 2003, this trend look to be change over the years to come. With the decline of investment and production as key growth drivers, this will see diminishing incremental economic growth and a reduction in materials demand as a share of output. 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:

Expected Support & Resistance level for the month

Copper	S1	S2	R1	R2
MCX	774	758	792	810

LEAD:

Technical Outlook:

Expected support and Resistance level for the month

Lead	S1	S2	R1	R2
MCX	185.5	182	189	193

ZINC

TECHNICAL OUTLOOK:

Expected Support & Resistance level

Zinc	S1	S1	R1	R2
MCX	304	297	311.5	318

NICKEL

TECHNICAL OUTLOOK:

Expected Support & Resistance level

Nickel	S1	S1	R1	R2
MCX	1765	1710	1810	1850

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Disclosure:

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