MONTHLY BULLETIN (RESEARCH) Date 8th June 2023

GOLD

Market Outlook and Fundamental Analysis:

Bullion register 2nd consecutive monthly decline by almost 2.2% and also fall of more than 2.5% for Q2-2023 (first quarterly decline in three) mainly due to longer FED rate hike path than earlier expected while technically fail to break above previous resistance also pressure at higher level. Towards end of the month dollar index rally towards 2-week high which makes gold expensive for holders of other currencies. For the month of June spot Gold ended down just above 2%, its 2nd consecutive monthly fall while Spot Silver end almost 3% down. Bullion seen under pressure throughout the June as more central banks to increase rate than expected earlier and hawkish FED towards its rate increasing spree which now neglect any rate cut in this year which is not in favor of Gold bull. Other side geopolitical tension as well central banks buying continue to offer support at every dip. 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. Gold briefly dropped below the key $1,900 level on last week of the month for the first time since mid-March, as data through the last few days painted a picture of a resilient U.S. economy. The dollar index and 10-year Treasury yields were both set to gain this quarter, eroding gold's appeal for investors holding other currencies. During the month of June, dollar index fall from 104.15 to low towards 101.92 and end at 102.91 which indicate mostly range bound move as monthly candle not able to break previous month candle which indicates indecisive move as of now.

US Nonfarm payrolls, a gaunge to interest rates decision, shows The U.S. economy added the fewest jobs in 2-1/2 years in June, but persistently strong wage growth pointed to still-tight labor market conditions that most certainly ensure the Federal Reserve will resume raising interest rate later this month. Nonfarm payrolls increased by 209,000 jobs last month, the smallest gain since December 2020, the survey of establishments showed. Economists polled by Reuters had forecast payrolls rising 225,000. The economy needs to create 70,000-100,000 jobs per month to keep up with growth in the working-age population. Average hourly earnings rose 0.4% last month after climbing by the same margin in May. In the 12 months through June, wages increased 4.4%, matching May's advance. June's employment prospects received a boost from the ADP National Employment report on Thursday showing private payrolls jumped by 497,000 jobs last month after rising 267,000 in May. Economists had forecast private employment increasing 228,000.

US FED Powell told an annual gathering of central bankers hosted by the ECB in the Portuguese mountain resort of Sintram, did not rule out further hikes at consecutive Fed meetings while European Central Bank President Christine Lagarde confirmed expectations the bank will raise rates in July, saying such a move was "likely". Lagarde said it was possible that the flatlining euro zone economy could slip into an outright recession this year but stressed that was not the ECB's baseline expectation. Bank of Japan Governor Kazuo Ueda had a markedly different message to others on the panel, saying the BOJ would see good reason to shift from its relatively looser monetary policy if it became "reasonably sure" inflation would accelerate into 2024 after a period of moderation.

The world's major central banks delivered in June the biggest number of monthly interest rate hikes year-to-date, surprising markets and flagging more tightening ahead as policy makers grapple to get the upper hand in their battle against inflation. Seven of the nine central banks overseeing the 10 most heavily traded currencies that met in June hiked rates, while two opted for no change, Reuters data showed. The latest G10 moves bring the total 2023 rate hike tally among G10 central banks to 950 bps across 28 hikes. Looking at moves since Norway kicked off the rate hiking cycle in September 2021, major central banks have hiked interest rates so far by 3,765 bps.

Expectations of another rate hike by the Federal Reserve to tame stubbornly high inflation helped push a closely watched part of the U.S. Treasury yield curve to its deepest inversion since 1981 on Monday, once again putting a spotlight on what many investors consider a time-honored recession signal. The yield curve inverts when shorter-dated Treasuries have higher returns than longer-term ones. The phenomenon is closely watched by investors as it has preceded past recessions.

The Federal Reserve left interest rates unchanged but signaled in new projections that borrowing costs may still need to rise by as much as half of a percentage point by the end of this year, as the U.S. central bank reacted to a stronger-than-expected economy and a slower decline in inflation. Nine of 18 officials see the benchmark overnight interest rate moving up another half of a percentage point beyond the current 5.00%-5.25% range, while three others feel it needs to go even higher. Powell said that even as officials have not decided what they will do with rates, the July 25-26 gathering is a "live meeting" which could bring another increase.

The European Central Bank raised euro zone borrowing costs to their highest level in 22 years and said stubbornly high inflation all but guaranteed another move next month and likely beyond that too. The quarter-percentage-point move was the ECB's eighth consecutive interest rate hike since it badly misjudged the tenaciousness of price rises early last year, and took its policy rate to 3.5%, a level not seen since 2001. The central bank for the 20 countries that share the euro also said it now expected inflation to stay above its 2% target all the way through to the end of 2025.

India's central bank kept its key lending rate steady for a second straight policy meeting on Thursday, as widely expected, but signalled that monetary conditions will remain tight for some time as it looks to further curb inflationary pressures. The MPC, kept the repo rate steady at 6.50% in a unanimous decision. India has raised rates by 250 basis points (bps) since May 2022, but surprised in April by keeping them unchanged. The central bank maintained its 2023/24 economic growth projection at 6.5% while it cut its retail inflation view to an average of 5.1% from 5.2% earlier.

Australia's central bank raised interest rates by a quarter-point to an 11-year high, and warned that further tightening may be required to ensure that inflation returns to target. the Reserve Bank of Australia (RBA) hiked the cash rate to 4.1%, saying inflation is still too high and removed a reference that stated "medium-term inflation expectations remain well anchored," which had been in policy statements since July last year.

New Zealand slipped into recession as the economy shrank in the first quarter, data showed on Thursday, reducing the risk the central bank would need to hike interest rates further but creating a new headwind for the government's re-election hopes. GDP matched analysts' expectations of a 0.1% contraction in the March quarter but was well below the Reserve Bank of New Zealand's (RBNZ) forecast of 0.3% growth. Furthermore, fourth-quarter GDP was revised to a contraction of 0.7% from a decline of 0.6%.

At end of the month, Investors see an 84% chance of a 25-basis-point hike in July, according to CME’s Fedwatch tool, pricing in another 25 bps rate hike in November, bringing rates into the 5.5%-5.75% range before cuts are seen in 2024.

Minutes of the Fed's June 13-14 policy meeting showed "almost all participants" agreed to hold interest rates steady at that gathering. Though policymakers viewed the labor market as remaining "very tight," they "anticipated that employment growth would likely slow further."

Australia's central bank on Tuesday held interest rates steady saying it wanted more time to assess the impact of past hikes, but reiterated its warning that further tightening might be needed to bring inflation to heel. Wrapping up its July policy meeting, the Reserve Bank of Australia (RBA) kept its cash rate at an 11-year high of 4.10%, having lifted rates by 400 basis points since May last year, in its most aggressive tightening cycle in modern history to tame inflation.

The Bank of England raised interest rates by a bigger-than-expected 0.5% to 5%, its highest since 2008 and its largest rate increase since February, following stickier inflation and wage growth since its policymakers met last in May. There had been "significant" news suggesting British inflation would take longer to fall the MPC said.

Powell, in his second day of testimony to lawmakers, said a strong majority of the central bank committee feels there is a little further to go with rate hikes. The Federal Reserve's fight to lower inflation back to its 2% target "has a long way to go," Federal Reserve Chair Jerome Powell said on Wednesday in testimony prepared for delivery to the House Financial Services Committee. Stress in the banking sector is also creating "headwinds" for households and businesses, the effect of which remains uncertain, Powell said. Stress in the banking sector is also creating "headwinds" for households and businesses, the effect of which remains uncertain, Powell said.

On data side, a survey by the ISM showed the U.S. services sector grew faster than expected in June as new orders picked up, adding to data indicating a resilient economy in the face of tighter monetary policy. US consumer spending edged up 0.1% in May against expected rising 0.2%. Data for April was revised lower to show spending accelerating 0.6% instead of 0.8% as previously reported. The personal consumption expenditures (PCE) price index gained 0.1% in May after rising 0.4% in April. In the 12 months through May, the PCE price index advanced 3.8%. That was the smallest year-on-year increase since April 2021 and followed a 4.3% rise in April. The U.S. trade deficit in goods narrowed in May as imports fell, as the goods trade deficit decreased 6.1% to $91.1 billion last month, leaving the bulk of April's surge intact. New orders for key U.S.-manufactured capital goods unexpectedly rose in May, as new orders for key U.S.-manufactured capital goods unexpectedly rose in May. U.S. current account deficit - the broadest measure of the flow of goods, services and investments into and out of the country - widened modestly in the first three months of 2023, snapping three quarters of narrowing. U.S. retail sales unexpectedly rose in May as consumers bought more motor vehicles and a range of other goods, as Retail sales increased 0.3% last month after rising 0.4% in April against economists polled by Reuters had forecast sales would slip 0.1%.

U.S. consumer prices barely rose in May and the annual increase in inflation was the smallest in more than two years, as the CPI increased 0.1% last month after gaining 0.4% in April. In the 12 months through May, the CPI climbed 4.0%. That was the smallest year-on-year increase since March 2021 and followed a 4.9% rise in April. The annual CPI peaked at 9.1% in June 2022, which was the biggest increase since November 1981, and is subsiding as last year's large rises drop out of the calculation. In the 12 months through May, the core CPI climbed 5.3%. That was the smallest rise since November 2021 and followed a 5.5% increase in April. U.S. producer prices fell more than expected in May as the costs of energy goods and food declined and the annual increase in producer inflation last month was the smallest in nearly 2-1/2 years. The PPI for final demand dropped 0.3% last month after rising by an unrevised 0.2% in April. In the 12 months through May, the PPI climbed 1.1%. That was the smallest year-on-year rise since December 2020 and followed a 2.3% increase in April.

U.S. business activity fell to a three-month low in June as services growth eased for the first time this year and the contraction in the manufacturing sector deepened. The survey's flash services sector PMI fell to 54.1 from 54.9 in May. Economists polled by Reuters had forecast the services PMI would ease to 54.0. Its flash manufacturing PMI dropped to 46.3

from 48.4 in May and was weaker than economists' median forecast of 48.5. That index has registered growth just once since last October.

The number of Americans filing new claims for unemployment benefits fell last week by the most in 20 months, while GDP increased at a 2.0% annualized rate last quarter, as per third estimate of first-quarter GDP, the upward revision from the 1.3% pace reported last month reflected upgrades to consumer spending and exports.

Central banks added a whopping 1,136 tonnes of gold worth some $70 billion to their stockpiles in 2022, by far the most of any year since 1967, the World Gold Council (WGC) said. The central bank purchases took total gold global gold demand last year to 4,741 tonnes, up 18% from 2021 and the highest for any year since 2011.

An increasing number of countries are repatriating gold reserves as protection against the sort of sanctions imposed by the West on Russia, according to an Invesco survey of central bank and sovereign wealth funds published. Over 85% of the 85 sovereign wealth funds and 57 central banks that took part in the annual Invesco Global Sovereign Asset Management Study believe that inflation will now be higher in the coming decade than in the last. Geopolitical concerns, combined with opportunities in emerging markets, are also encouraging some central banks to diversify away from the dollar.

Separately, Swiss gold exports rose in May after falling to their lowest in 10 months in April due to higher shipments to India, Swiss customs data showed. New Zealand's economy shrank in the first quarter as the central bank's aggressive hiking of interest rates to a 14-year high hurt businesses and manufacturers, while bad weather hit farms, putting the country into a technical recession.

Top cryptocurrency bitcoin could reach $50,000 this year and $120,000 by the end of 2024 Standard Chartered said, predicting the jump in its price could encourage bitcoin 'miners' to hoard more of the supply.

India the world's second-biggest gold buyer, merchandise trade deficit rose faster-than-expected in May, due to a fall in demand in developed countries, a top trade official said. A merchandise trade deficit of $22.12 billion, higher than $15.24 billion in April and a Reuter's poll estimate of $17.26 billion. For May, merchandise exports were $34.98 billion, while imports stood at $57.10 billion, the government said.

On domestic Data update, India's manufacturing industry expanded at the second-fastest rate this year in June, albeit at a slightly slower pace than in May, as the Manufacturing PMI, compiled by S&P Global, was 57.8 in June, down from May's 58.7 and a tad lower than a Reuter's poll expectation for 58.0. India's infrastructure output expanded 4.3% year-on-year in May, it's highest since February. India's current account deficit narrowed sharply in the January to March quarter, helped by a smaller trade gap and increased services exports, the Reserve Bank of India (RBI) said. The CAD stood at $1.3 billion, or

0.2% of GDP, in the fourth quarter of the 2022/23 fiscal year, compared with the previous quarter's revised deficit of $16.8 billion, or 2% of GDP. The deficit had stood at $13.4 billion in the same period a year earlier, the data showed. India's annual wholesale prices fell for the second consecutive month in May on easing input costs brought about by lower commodity prices, as WPI fell 3.48%, compared with a 2.35% fall estimated by economists in a Reuter's poll. It fell 0.92% in April. India's annual retail inflation cooled to a more than two-year low of 4.25% in May from 4.7% in April, as cost pressures on food eased, moving closer to the Reserve Bank of India's (RBI) target of 4%, government data showed. Food inflation, which accounts for nearly half of the overall consumer price basket, moderated to 2.91% in May against 3.84% in April. India's industrial output rose 4.2% year-on-year in April against Reuters poll had forecast an expansion of 1.8%. In March, output growth was revised to 1.7% from 1.1%.

Ghana recorded a 32% increase in gold production last year, enabling it to win back the top spot from South Africa as the largest gold producer on the continent, the president of the mines chamber said. Gold output rose to 3.7 million ounces in 2022 from 2.8 million ounces the previous year, driven by growth in the output of both large and small-scale sectors.

The World Bank earlier raised its 2023 global growth forecast saying that the U.S. and other major economies have proven more resilient than forecast. But it lowered India's growth outlook to 6.3% in FY2023/24 (April-March), a 0.3 percentage point downward revision from January. The World Bank said in its latest Global Economic Prospects report that global growth is likely to slow to 2.1% in 2023, with prospects clouded by financial risks but that's up from a 1.7% forecast issued in January.

Going ahead, Gold price moves will continue to be dictated by the Fed's response to bubbling inflation in 2023. Due to the IMF's revised global GDP prediction, reducing inflation, the halt in interest rate hikes, the weakening dollar, and China's reopening, the global commodities market is anticipated to exhibit a mixed trend in 2023, and the global economy is currently experiencing a slowdown. This is likely to have a mixed effect on the commodities market as well Bullion.

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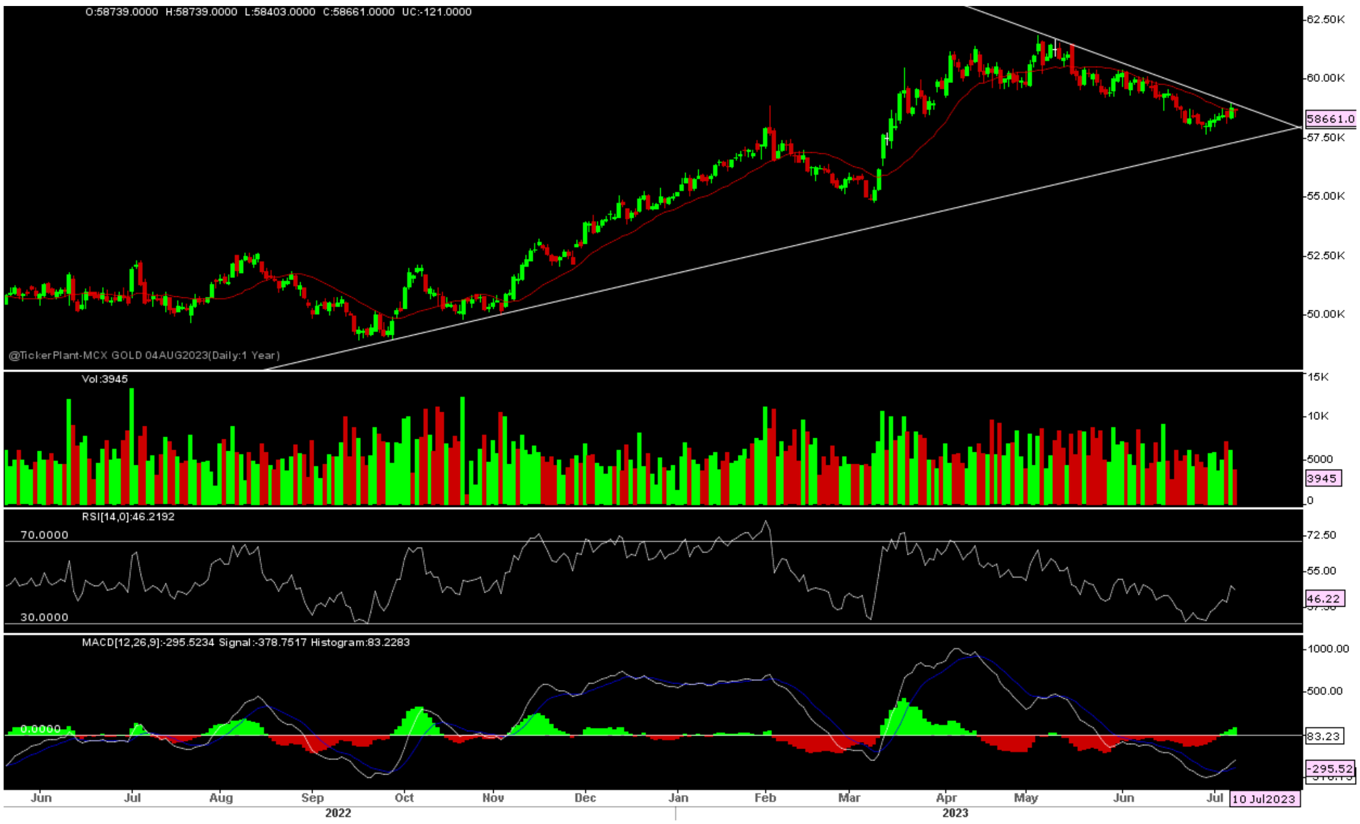
Technical Outlook:

On the Daily Chart MCX:



Sources – Ticker Plant and Bonanza Research

In COMEX GOLD is trading at $1926

Expected support and Resistance level for the month

Gold	S1	S2	R1	R2
COMEX/DG CX ($)	1890	1850	1985	2050
MCX (Rs.)	58000	57600	59000	59600

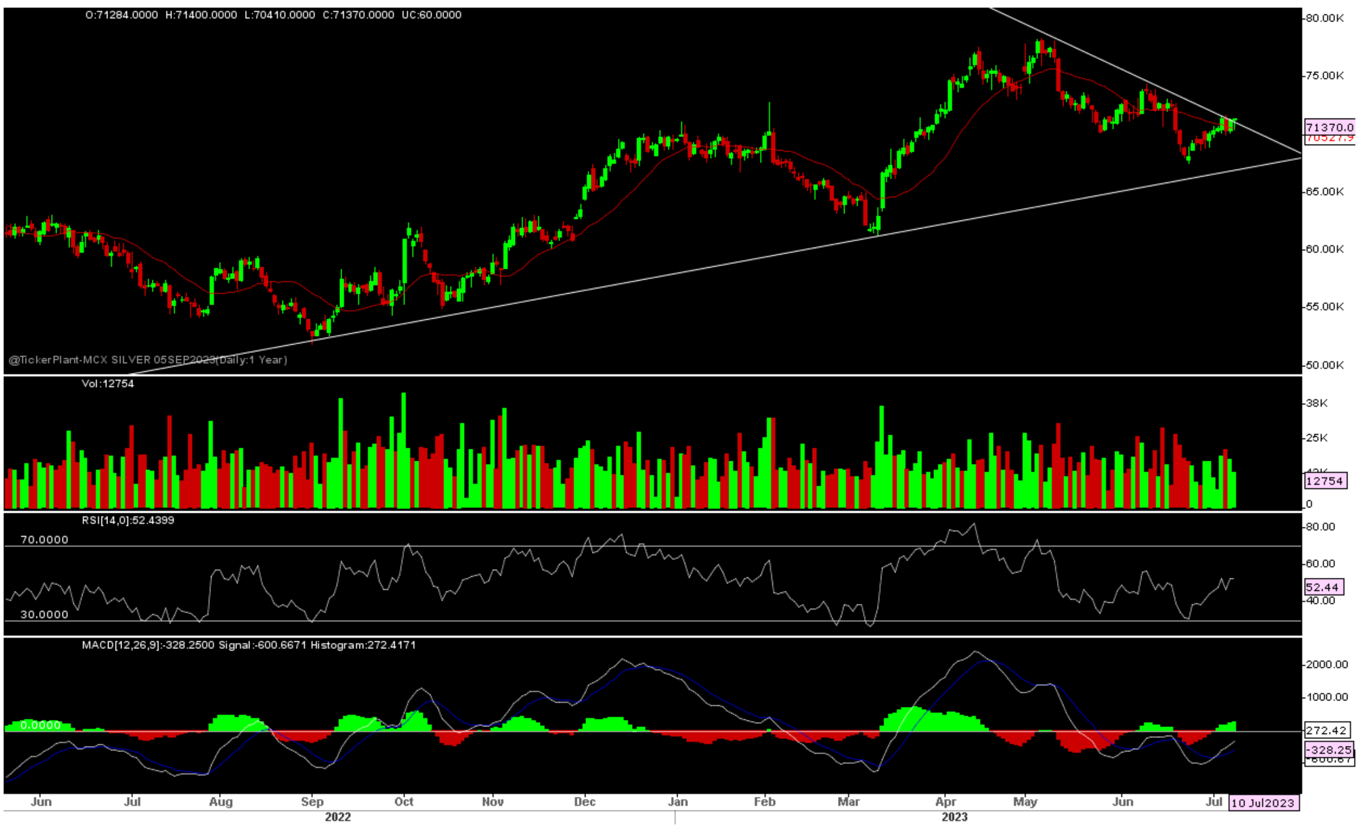
Mcx Trend seen Bullish as long S1 hold, while Sustain close below 58000 seen prices towards S2.

MONTHLY BULLETIN (RESEARCH) Date 8th June 2023

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 ($)	22.0	21.40	25.55	26.20
MCX (Rs.)	69800	68300	71700	74200

MCX trend seen Bullish as long hold S1, While Sustain above 71700 seen Sharp Rally towards R2.

MONTHLY BULLETIN (RESEARCH) Date 8th June 2023

CRUDE OIL

Market Outlook and Fundamental Analysis

Energy complex register a 1st monthly gain after last 7-months fall in June thanks to production cut announce by OPEC+ and later on more production cur announce by Saudi as well Russia will likely to disturb demand – supply situation especially when demand likely to revive in 2nd half of the year and hope of economic recovery at top consuming countries makes short covering and lower level buying in crude oil. However, still Oil prices register a fourth consecutive quarter of losses amid concerns over sluggish global economic activity and fuel demand. Brent crude on track for a 6% decline in the Q2-2023, marking a 4th straight quarterly decline. While WTI down 6.5% on a quarterly basis, its second consecutive quarterly drop. Inflationary pressure and rising interest rates in key economies and a slower than expected recovery in Chinese manufacturing and consumption have weighed on markets in recent months. But signs of strengthening U.S. economic activity and sharp declines in U.S. oil inventories offered some support at lower level.

Saudi Arabia and Russia, the world's biggest oil exporters, deepened oil cuts, sending prices higher despite concerns over a global economic slowdown and possible further interest rate hikes from the U.S. Federal Reserve. Saudi Arabia said it would extend its voluntary oil output cut of one million barrels per day (bpd) for another month to include August, adding that the cut could be extended beyond that month. Shortly after the Saudi announcement, Russian Deputy Prime Minister Alexander Novak said Moscow would cut its oil exports by 500,000 barrels per day in August. The cuts amount to 1.5% of global supply and bring the total pledged by OPEC+ to 5.16 million bpd. OPEC+ already has in place cuts of 3.66 million bpd, amounting to 3.6% of global demand, including 2 million bpd agreed last year and voluntary cuts of 1.66 million bpd agreed in April and extended to

December 2024. OPEC+, which groups the Organization of the Petroleum Exporting Countries (OPEC) and allies led by Russia, pumps around 40% of the world's crude.

OPEC oil output has fallen only slightly in June as increases in Iraq and Nigeria limited the impact of cutbacks by others, despite a wider OPEC+ deal and voluntary cuts by several members to support the market, a Reuter's survey found. The Organization of the Petroleum Exporting Countries has pumped 28.18 million barrels per day (bpd) in June, the survey found, down 50,000 bpd from May's revised figure. In May, output dropped by 240,000 bpd as the latest cut took effect.

OPEC expects global oil demand to rise to 110 million barrels per day (bpd) and overall energy demand to rise 23% by 2045, its Secretary General said.

U.S. energy firms in last week of the June cut the number of oil and natural gas rigs operating for an 8th week in a row for the first time since July 2020, energy services firm Baker Hughes Co said in its closely followed report on last Friday of month June. The oil and gas rig count, an early indicator of future output, fell by 5 to 682 in the week to June 23, the lowest since April 2022. Baker Hughes said that puts the total rig count down 71 rigs, or 9%, over this time last year. U.S. oil rigs fell 6 to 546 this week, their lowest since April 2022, while gas rigs held steady at 130.

U.S. gas futures , meanwhile, have plunged about 41% so far this year after rising about 20% last year. The massive drop in gas prices has already caused some exploration and production companies, including Chesapeake Energy Corp, Southwestern Energy Co and Comstock Resources Inc, to announce plans to reduce production by cutting some rigs - especially in the Haynesville shale in Arkansas, Louisiana and Texas. Despite some plans to lower rig counts, the independent exploration and production companies tracked by U.S. financial services firm TD Cowen were on track to boost spending by about 19% in 2023 versus 2022 after increasing spending about 40% in 2022 and 4% in 2021.

U.S. gas production, meanwhile, was on track to rise from a record 98.13 billion cubic feet per day (bcfd) in 2022 to 102.74 bcfd in 2023 and 103.04 bcfd in 2024, according to EIA's projection.

China's 2023 crude oil demand is expected to grow less than previously expected, as strong demand for electric vehicles weighs on gasoline demand, an expert at China National Petroleum Corporation's (CNPC) research arm said.

Saudi Arabia's crude oil exports slipped in April to a five-month low, data from the Joint Organizations Data Initiative (JODI) showed. Crude exports from the world's largest oil exporter fell to 7.316 million barrels per day (bpd) in April, down about 3% from the 7.523 million bpd in March. Saudi crude output was steady at 10.46 million bpd in April, while inventories rose by 1.98 million barrels to 149.4 million barrels.

India will soon overtake China as the largest driver of global oil demand, International Energy Agency (IEA) chief Fatih Birol said. One of the reasons why we say this is that electrification of cars and buses in China is growing rapidly. The Paris-based energy agency said in its outlook report released earlier that about three quarters of the 2022-28 demand growth increase will come from Asia, with India surpassing China as the main source of growth by 2027.

US hopes to buy back at least 12 million barrels of oil for the Strategic Petroleum Reserve this year, including six million already announced, a source familiar with the matter said. The administration is slowly buying back oil from the SPR after selling more than 200 million barrels last year including a record 180 million barrel sale to fight high oil prices after Russia's invasion of Ukraine. The sales have pushed levels in the reserve to the lowest since 1983.

Brent's six-month backwardation - a price structure whereby sooner-loading contracts trade above later-loading ones - is at its lowest since December and barely positive, indicating shrinking concern about supply crunches. For the two-month spread , the market is in shallow contango, the opposite price structure, indicating that traders are factoring in a slightly oversupplied market.

OPEC in its latest monthly report, left its forecast for 2023 global oil demand growth steady for a fourth month, though the producer group warned that the world economy faced rising uncertainty and slower growth in the second half of the year. Global oil demand this year will rise by 2.35 million barrels per day (bpd), or 2.4%, the OPEC said in its monthly report. This was virtually unchanged from the 2.33 million bpd forecast last month. Chinese oil demand is now expected to rise by 840,000 bpd, OPEC said, up from the 800,000 bpd forecast last month, adding to a recovery after strict COVID-19 containment measures were scrapped. OPEC left its 2023 global economic growth forecast at 2.6% and said momentum was slowing. The report also showed OPEC's oil production fell in May, reflecting the impact of earlier output cuts pledged by OPEC+ as well as some unplanned outages. OPEC kept its estimate of the oil demand needed to balance the market at 29.3 million bpd, pointing to a supply deficit if OPEC keeps pumping at May's rate and makes the further promised curbs.

In its latest weekly inventory data from the U.S. EIA shows, crude inventories dropped by 9.6 million barrels in the week ended June 23, putting stockpiles down for a second week in a row. That was much bigger than the 1.8 million barrel draw analysts forecast in a Reuters poll and compares with a decline of 2.8 million barrels in the same week last year and a five-year (2018-2022) average decrease of 7.8 million barrels. U.S. crude oil inventories at the Cushing, Oklahoma, storage hub have risen to their highest in two years, as outages at Midwestern refiners crimp demand and higher flows from Canada add to supply. Stockpiles at Cushing, the delivery point for U.S. crude oil futures, have climbed for eight consecutive weeks after falling earlier this year.

China's imports of liquefied natural gas (LNG) rose to a five-month high in June but tepid demand in the rest of the top-importing continent has kept a lid on spot prices. China, the world's second-biggest LNG buyer, is estimated to have imported 5.96 million metric tons of the super-chilled fuel in June, according to data compiled by Refinitiv. This is the most since January and up from 5.54 million metric tons in May, as well being 28% higher than the 4.64 million offloaded in June last year.

Indian passenger vehicle (PV) wholesales rose 13.5% in May, data from the Society of Indian Automobile Manufacturers (SIAM) showed, indicating a build-up of stocks amid worries of muted retail demand. Carmakers sold 334,247 PVs in the month, compared to 294,392 units a year before, according to SIAM, which tracks sales made to dealers.

India, the world's third-biggest oil consumer and importer, rising imports of Russian oil hit a record high of about 1.95 million barrels per day (bpd) in May denting purchases from Iraq and Saudi Arabia fell, tanker data from trade and industry sources showed. Russian oil accounted for about 40% of India's crude imports in May, cutting imports from Iraq to a three-year low and from Saudi Arabia to their lowest since September 2021, an analysis of the data showed.

Retail sales of cars and bikes in India rose in June, while also flagging "demand-supply mismatches" that likely caused some disruption. Sales of cars and vans - clubbed as passenger vehicles - rose 4.8% to more than 295,000 units – a record high for the month of June, while those of two wheelers were up 6.8% at over 1.3 million units, data from the Federation of Automobile Dealers Association (FADA) showed.

Going ahead, Oil prices are set for small gains in 2023 as a darkening global economic backdrop and COVID-19 flare-ups in China threaten demand growth and offset the impact of supply shortfalls caused by sanctions on Russia. It is to be expected that oil demand will grow significantly in the second half of 2023, driven by the easing of COVID-19 restrictions in China and by central banks adopting a less aggressive approach on interest rates.

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Technical Outlook:-

On the Daily Chart MCX:

Sources – Ticker Plant and Bonanza Research

Expected Support and Resistance level for the month

Crude	S1	S2	R1	R2
NYMEX/DG CX ($)	67.0	63.50	75.50	83.50
MCX (Rs.)	5800	5500	6200	6500

MCX trend seen Bullish as long hold S1, While Sustain Close below 5650 seen towards 5500-5300.

Natural Gas

Technical Outlook:

On the Daily Chart MCX:

Sources – Ticker Plant and Bonanza Research

Natural Gas	S1	S2	R1	R2
MCX (Rs.)	208	190	230	242

MCX trend seen Bullish as long hold S1, While Sustain Close below 208 seen towards 198-190 belt.

Base Metals

Market Outlook and Fundamental Analysis

COPPER:

Base metal complex seen a see-saw to continue its southward journey in consecutive 5th monthly fall in June and most metals falls below or towards 2023 year to date low as prices get pressure from weak economic reading from top consuming countries including China added by FED signal more rate hike spree in coming month also negative for base metals pack and recovery in dollar index makes index lower. During first half of last month index trade higher on lower warehouse stocks and stimulus expectations from top metal consumer China which might revise demand but later on it didn't materialize and price fall sharply. Benchmark Copper and Lead in domestic Future market close almost flat while Zinc gain 3.5% against Aluminum down almost 6% and each. All this resulted in metal index close almost flat during the month of June.

Latest number from top metal consumer China shows, China's producer prices fell at their fastest pace in over seven years in June, while consumer prices teetered on the edge of deflation, adding to the case for policymakers to use more stimulus to revive sluggish demand. The PPI fell for a 9TH consecutive month in June, down 5.4% from a year earlier, the steepest decline since December 2015. That compared with a 4.6% drop in the previous month and a 5.0% fall tipped in a Reuter's poll of analysts. The CPI was unchanged year-on-year, compared with the 0.2% gain seen in May, driven by a faster fall in pork prices. That dashed expectation for a 0.2% rise and was the slowest pace since February 2021.

Global factory activity slumped in June, latest business surveys showed, as sluggish demand in China and in Europe clouded the outlook for exporters. Across the euro zone manufacturing contracted faster than initially thought, as persistent policy tightening by the European Central Bank squeezed finances, and in Britain the pace of decline steepened as optimism faded. In Asia, while factory activity expanded marginally in China, it contracted in Japan and South Korea as Asia's economic recovery struggled to maintain momentum.

China's factory activity growth slowed in June, as the Caixin/S&P Global manufacturing PMI eased to 50.5 in June from 50.9 in May, indicating a marginal expansion in activity. South Korea's factory activity shrank at a steeper pace in June and extended its downturn to a record 12th consecutive month, a survey showed. Japan's factory activity contracted in June after expanding for the first time in 7 months in May, a private survey showed.

Copper available to the market in London Metal Exchange (LME)approved warehouses fell to the lowest level since October 2021 after large amounts of inventory were earmarked to leave the LME system, data from the exchange showed. Total stocks of copper in LME warehouses stand at 80,400 metric tons, of that 62.5% or 50,275 metric tons has been set aside or cancelled for delivering out over coming weeks. Cancelling warrants indicates only an intention to take delivery of metal from LME warehouses, it can be rewarranted.

China cut its key lending benchmarks, the first such reductions in 10 months as authorities seek to shore up a slowing economic recovery, as the 1-year loan prime rate (LPR) was lowered by 10 basis points to 3.55%, while the 5-year LPR was cut by the same margin to 4.20%.

China's economy stumbled in May with industrial output and retail sales growth missing forecasts, Industrial output grew 3.5% in May from a year earlier, slowing from the 5.6% expansion in April and slightly below a 3.6% increase expected by analysts in a Reuter's poll. Retail sales - a key gauge of consumer confidence - rose 12.7%, missing forecasts of 13.6% growth and slowing from April's 18.4%.

China's exports shrank much faster than expected in May while imports extended declines with a grim outlook for global demand, especially from developed markets, raising doubts about the fragile economic recovery. Exports slumped 7.5% year-on-year in May, data from China's Customs Bureau showed on Wednesday, much larger than the forecast 0.4% fall and the biggest decline since January. Imports contracted 4.5%, slower than an expected 8.0% decline and April's 7.9% fall.

New electric vehicles from Tesla and rivals are being engineered for efficiency in a way that cuts copper content, changes that could limit demand growth for the metal as the next-generation of EVs hits the road, industry analysts say. The strong ramp-up in sales for EVs, led by growth in China, means copper demand will continue to grow for the remainder of the decade, but innovation in EVs has emerged as a limiting factor, according to two recent forecasts. In a report this week, Goldman Sachs said EVs accounted for two-thirds of the global demand growth in copper last year. CRU Group lowered its estimate for copper usage in an average EV to 51-56 kgs between this year and 2030. That was down from its previous forecast of 65-66 kgs over the same period. The engineering changes include shifting to more compact batteries where cells do not have to be wired into modules, using thinner copper foil in battery cells and shifting to higher voltage systems that will require less wiring. It expects copper demand for EVs to be 1 million metric tons this year and 2.8 million by 2030. Previously, it had projected 3.2 million metric tons of demand from EVs in 2030.

China's passenger vehicle sales fell in June, data from the CPCA showed, as a stumbling economic recovery led to more consumer caution on big-ticket spending. Car sales in June totalled 1.91 million units, down 2.9% from last year, CPCA data showed. It was the first monthly contraction since January. However, sales advanced 2.5% to 9.65 million units in the first half of the year.

British house prices fell last month in annual terms at the fastest rate in 12 years and soaring interest rates are likely to herald more weakness in the housing market, mortgage lender Halifax said. House prices dropped 2.6% year-on-year in June, after a 1.1% fall in May, Halifax said. It was the largest such fall since June 2011.

Separately, The London Metal Exchange will face two financial institutions in court on Tuesday over market chaos that resulted in billions of dollars of cancelled trades, in a case that could affect the reputation of Britain's capital as a financial centre. The world's largest metals market enraged some investors in March last year when it annulled around $12 billion in nickel deals after prices erupted in a record-breaking surge, its first suspension of trading since 1988.

Going ahead, Spiralling inflation, COVID lockdowns in top consumer China and aggressive interest rate rises are behind economic weakness and dwindling demand growth for industrial metals such as copper, used in the power and construction industries.

Base Metals

TECHNICAL OUTLOOK:

COPPER:

Sources – Ticker Plant and Bonanza Research

MONTHLY BULLETIN (RESEARCH) Date 8th June 2023

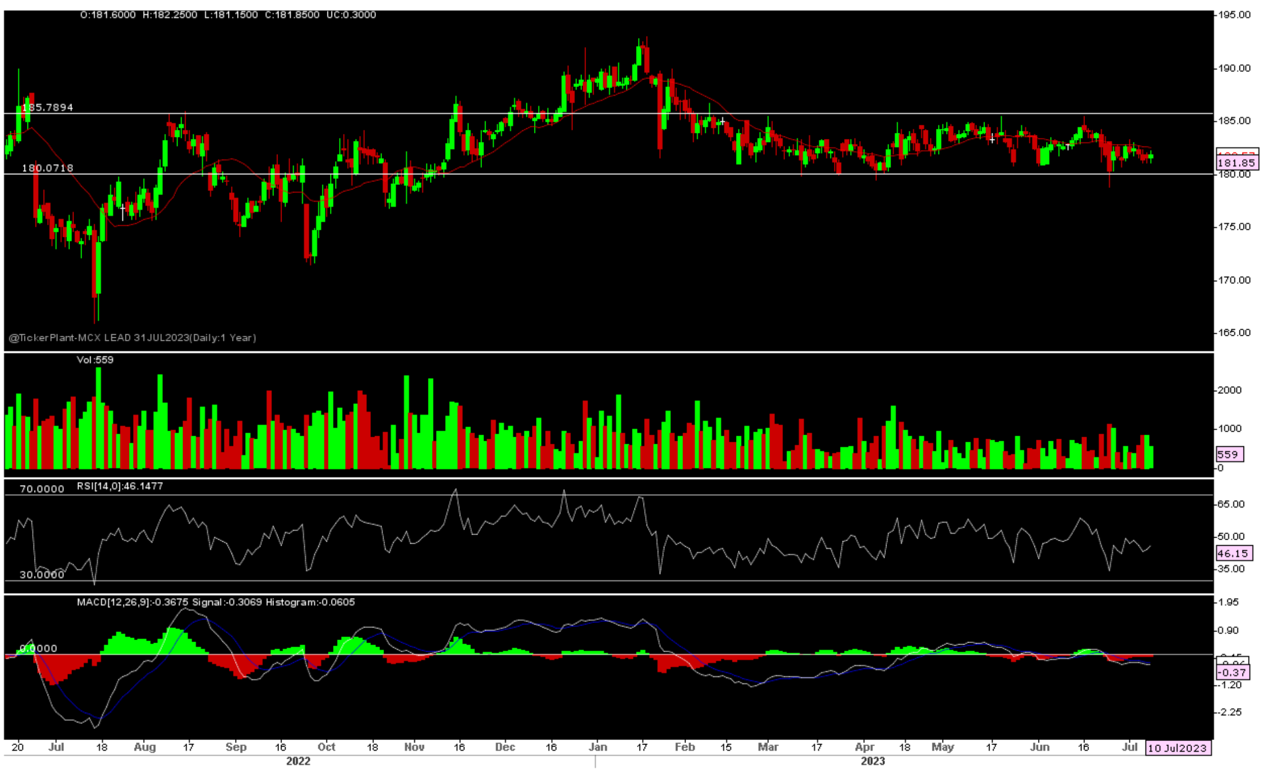
Expected Support & Resistance level for the month

Copper	S1	S2	R1	R2
MCX	711	702	724	742

MCX trend seen Bullish as long hold S1, While Sustain below 711 seen towards 702-695 belt.

LEAD:

Technical Outlook:



Sources – Ticker Plant and Bonanza Research

Expected support and Resistance level for the month

Lead	S1	S2	R1	R2
MCX	178.50	174	183.50.	186.0

MCX trend seen Bullish as long hold S1 while Sustain Close above 186 seen 190-192 belt.

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ZINC

TECHNICAL OUTLOOK:

Sources – Ticker Plant and Bonanza Research

Expected Support & Resistance level

Zinc	S1	S1	R1	R2
MCX	210	205	217	225

MCX trend seen Bearish as long hold 212-R1, While Only Sustain above R2 seen medium term Uprally.

NICKEL

TECHNICAL OUTLOOK:

No View due to Low Volumes

MONTHLY BULLETIN (RESEARCH) Date 8th June 2023

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Technical Research Analyst

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