MONTHLY BULLETIN (RESEARCH) Date 11th March 2022

GOLD

Market Outlook and Fundamental Analysis:

Bullion seen in front seat for investors after geopolitical tension arises between western country – Russia as gold seen best monthly gain since May 2021 around 6.5% & soared to 18-month high, silver up about 8% for the month Feb at Aug’ 21 high, Palladium on track for 3rd consecutive monthly gain of about 6% and Platinum gain 2% for the month. When geopolitical tensions get really high, gold still is the main safe haven asset outperforming the crypto currencies and other even other assets like Treasuries. Russia is the biggest producer of palladium, with Moscow-based Nornickel accounting for 40% of the metal's global mine production last year.

Russia produced 2.6 million troy ounces of palladium last year, or 40% of global mine production, and 641,000 ounces of platinum, or about 10% of total mine production.

US Nonfarm data which is main gauge for interest rates seen, nonfarm payrolls surged by 678,000 jobs last month and data for January was revised higher show 481,000 jobs created instead of 467,000 as previously reported. This is against Economists polled by Reuters had forecast payrolls rising by 400,000. Labor market conditions tightened further, with the unemployment rate falling to 3.8%, the lowest since February 2020, from 4.0% in January. That was despite more people entering the labor force.

US FED Chair Jerome Powell made clear that the Fed will begin raising interest rates this month in a high-stakes effort to restrain surging inflation. He says the Fed will "need to be nimble" in responding to unexpected changes resulting from the war or the sanctions that the United States and Europe have imposed in response. The Fed is widely expected to raise its benchmark short-term interest rate several times this year beginning with its March 15-16 meeting.

On data side, U.S. producer prices increased by the most in eight months in January amid a surge in the cost of hospital outpatient care and goods such as food and motor vehicles, another sign that high inflation could persist through much of this year. U.S. retail sales rebounded sharply in January amid a surge in purchases of motor vehicles and other goods, but higher prices could blunt the impact on economic growth this quarter. U.S. consumer prices rose solidly in January, leading to the biggest annual increase in inflation in 40 years, which could fuel financial markets speculation for a 50 basis points interest rate hike from the Federal Reserve next month. The CPI gained 0.6% last month after increasing 0.6% in December and in the 12 months through January, the CPI jumped 7.5%, the biggest year-on-year increase since February 1982. That followed a 7.0%

advance in December and marked the fourth straight month of annual increases in excess of 6%.

The U.S. trade deficit surged to a record high in 2021 as imports increased sharply amid the restocking of shelves by businesses to meet robust domestic demand. The trade deficit increased 27.0% last year to an all-time high of $859.1 billion. The deficit was at $676.7 billion in 2020.

On domestic Data update, Growth in India's dominant services industry picked up less than expected in February despite an easing of COVID-19 restrictions, a private survey showed, while price pressures led firms to shed jobs at the quickest pace since July. India's factory activity growth accelerated in February as the threat from a third COVID-19 wave eased, while some softening of price pressures meant demand and business expectations strengthened, a private survey showed. India's infrastructure output in January expanded 3.7% year on year.

India, Asias 3rd largest economy lost momentum in the final quarter of 2021, with growth slowing from previous two quarters. GDP rose 5.4% year-on-year in October-December, official data showed, slower than 6% forecast by economists in a Reuters poll, and far below upwardly revised 20.3% growth in the April-June quarter and 8.5% in July-September. The growth estimate for 2021/22 fiscal year ending on March 31 was revised down to 8.9% from 9.2% seen in January as COVID-19 related curbs weighed on activity early this year. As demand for gold is mainly comes from rural India, this lower growth directly impact on its consumption & prices.

The Reserve Bank of India's monetary policy committee (MPC) stuck to its accommodative policy stance to help the economy recover from the pits of the pandemic, keeping the key lending rate at record lows in its latest meet.

Going ahead, there is lots of uncertainty in global market start from geopolitical tension between western countries & Russia, US FED tapering and interest rates seen increasing, higher inflation worldwide and currency movement. All this resulted in volatile bullion prices and unless there is clarity on above major issue, bullion likely to get support at every dip. In nutshell, geopolitical tension, 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 $1985

Expected support and Resistance level for the month

Gold	S1	S2	R1	R2
COMEX/DG CX ($)	1950	1920	2010	2060
MCX (Rs.)	52200	50000	53500	55600

Mcx Trend seen Bullish as long S1 hold support, While Sustain Close above 55600 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 ($)	25.25	23.80	26.10	27
MCX (Rs.)	69200	67200	70700	73100

MCX trend seen Bullish as long hold S1

CRUDE OIL

Market Outlook and Fundamental Analysis

Energy complex register consecutive 3rd monthly gain with benchmark Brent cross $100 a barrel first time after 2014 & rally almost 12% in Feb while WTI rally 9% due to geopolitical tension between Russia – Ukraine which may resulted in supply disturbance and more energy crises for weeks to come. As Western allies imposed more sanctions on Russia and blocked some Russian banks from a global payments system, which could cause severe disruption to its oil exports.. The assault was the biggest attack on a

European state since World War Two, prompting tens of thousands of people to flee their homes. Not only by US sanction but also from Britain, Japan, Canada, Australia and the European Union, including a move by Germany to halt certification of an $11 billion Russian gas pipeline. Russia is facing severe disruption to its exports of all commodities from oil to grains after Western nations imposed stiff sanctions on Moscow and cut off some Russian banks from the SWIFT international payment system. Russian crude oil grades, which account for about 10% of global oil supply, were hammered in physical markets. The Brent crude oil futures 6-month spread reached $15.59 a barrel for the contract's steepest backwardation since at least 2004, when Refinitiv Eikon records began.

Other side, Russian oil production has increased to 11.05 million barrels per day (bpd) from the start of February, up from 11 million bpd on average in January, two sources familiar with the data told Reuters. Russia has been increasing oil output in tandem with the OPEC+ producer group as global demand recovers. Russia's monthly quota for production increases stands at 100,000 bpd.

The Organization of the Petroleum Exporting Countries (OPEC) and other producing partners, referred to as OPEC+, has decided to stay on track with its plan to increase output by 400,000 barrels per day (bpd) in April, despite calls for stepping up production to cool off spiraling crude oil prices. The group has been gradually rolling back the historic production cuts that were undertaken when global demand plummeted due to the pandemic. OPEC pumped 28.39 million barrels per day (bpd) in February, the survey found, up 420,000 bpd from the previous month and above the 254,000 bpd increase called for under the supply deal. OPEC+ revised down its forecast for the 2022 oil market surplus by about 200,000 barrels per day (bpd) to 1.1 million bpd, according to a base scenario in a technical committee latest report.

U.S. oil demand rose in December to its highest level since before the coronavirus pandemic began, the U.S. Energy Information Administration (EIA) said, with product supplied nearing 21 million barrels per day (bpd).

China has ramped up purchases into its oil reserves this year even as oil prices soared, despite calls from Washington for a global coordinated stocks release to help cool the market, industry data showed

Going ahead, geopolitical tension between western countries & Russia resulted in higher volatility as well prices and if this issue not sorted out within short period then in long run this will definitely resulted in oil shocks with prices to scale all time high.

Technical Outlook:-

On the Daily Chart:

Expected Support and Resistance level for the month

Crude	S1	S2	R1	R2
NYMEX/DG CX ($)	100	89	115	127
MCX (Rs.)	7950	7450	8800	9800

Natural Gas

Technical Outlook:

Natural Gas	S1	S2	R1	R2
MCX (Rs.)	341	331	376	402

Base Metals

Market Outlook and Fundamental Analysis

COPPER:

Base metal complex seen a sharp up move with increase volatility as many metals hit multiyear to multi month high after western nations unveiled more sanctions on major producer Russia in response to its invasion of Ukraine, fuelling worries about supplies. till now a most gainer from this geopolitical tension is Aluminum which skyrocketed to all time high in LME & domestic future exchange, thanks to more sanction announce on Russia which is the one of the largest producer & exporter and any supply disturbance there will be a huge deficit for the metals at the time when already exchange warehouse stocks falling since last few months. For the month Feb copper gain 2%, nickel & lead gain inch above 6% while Zinc gain 1.5%. During the month nickel spikes to its highest since May 2011 and the premium for cash nickel over the three-month contract register $645 a tonne, the highest since 2007.

Russia produces about 6% of the world's aluminium and accounts for about 7% of global nickel mine supplies. It is also a major producer of natural gas used to generate electricity. China accounts for around 56% of global aluminium production estimated at around 67 million tonnes last year. The top consumer is expected to see a deficit around 1.5 million tonnes this year.

Aluminum gain 12% in Feb month, a biggest monthly rise since April 2018 and with increase in volume, as on the last day of the month 30,419 lots was traded which nearly equal to that of the other main five LME metals combined. Inventories of aluminium in LME-registered warehouses are also running low at 824,150 tonnes, compared with about 1.3 million tonnes a year ago.

There are also indirect impacts for zinc and aluminium due to high energy prices. Even though oil and gas are off the table for sanctions till date, if Russia uses gas to retaliate, there could be more explosive spikes in metals. Aluminium is the most energy-intensive metal to produce.

Copper output in Chile, the world's largest producer of the metal, fell 7.5% year-on-year to 429,923 tonnes in January, latest data shows.

Copper output in Chile, the world's largest producer of the metal, fell 7.5% year-on-year to 429,923 tonnes in January, data showed on Monday.

Latest numbers from top metal consumer China shows, China's factory-gate inflation eased to its slowest pace in six months and consumer price growth also softened in January amid weakening property sector demand, new coronavirus curbs and government efforts to rein in surging materials costs.

Going ahead, geopolitical tension between western/European countries and Russia resulted in supply disturbance and force prices towards multiyear to all time high. As long this continues prices likely to seen higher volatility and support at every dip.

Base Metals

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TECHNICAL OUTLOOK:

COPPER:

Expected Support & Resistance level for the month

Copper	S1	S2	R1	R2
MCX	793	767	823	850

LEAD:

Technical Outlook:

Expected support and Resistance level for the month

Lead	S1	S2	R1	R2
MCX	184	180	191.5	198

ZINC

TECHNICAL OUTLOOK:

Expected Support & Resistance level

Zinc	S1	S1	R1	R2
MCX	310	296	340	354

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NICKEL

TECHNICAL OUTLOOK:

Expected Support & Resistance level

Nickel	S1	S1	R1	R2
MCX	2700	2300	3100	3500

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