

**Major Update**

- Chinese financial center Shanghai, a city of 26 million people, has been locked down under its “zero tolerance” for COVID-19. The city reported 25,173 new asymptomatic cases and 914 symptomatic cases for April 10

Macro highlights

- US February factory orders -0.5% vs -0.5% expected
- US Economic activity in the services sector grew in March for the 22nd month in a row
- US : In the week ending April 2, the advance figure for seasonally adjusted initial claims was 166,000, a decrease of 5,000 from the previous week's revised level.
- Japan's consumer confidence worsens in March
- French : In February 2022, manufacturing output decreased by -0.5%
- Caixin China General Services PMI - Services activity drops in March as virus containment measures tighten
- Chinese banks were closed for two days in observance of Tomb Sweeping Day

MCX				
Commodity	Prev Close	Close	Change	% Change
Gold	51680	52099	419	0.80%
Silver	66776	67032	256	0.38%
Aluminium	280.20	276.70	-4	-1.26%
Copper	816.40	819.80	3	0.41%
Lead	187.25	186.00	-1	-0.67%
Nickel	2475.00	2550.00	75	2.94%
Zinc	354.50	359.80	5	1.47%
Crude Oil	7540	7365	-175	-2.38%
Naturalgas	434.80	477.00	42	8.85%

Commodity	View	Rationale	MCX Levels
Gold	Sideways to positive	India's Gold imports rose by 33% to USD 46.14 billion during the 2021-22	R1- 53000;R2- 53500.S1- 51800;S2- 50800
Silver	Sideways to positive	Intensifying tensions from warzone and covid outbreak in China	R1- 68500;R2- 70000.S1-66100;S2 -65500
Aluminum	Sideways to positive	LME metal inventories plunge to critical levels	R1-280;R2-295.S1- 265;S2-258
Copper	Sideways to positive	LME suspends placement of Russian base metals in UK warehouses	R1-835;R2-845.S1- 807;S2-792
Lead	Sideways to positive	COVID-19 lockdowns in China	R1-192;R2-200- S1-178;S2-170
Nickel	Sideways to positive	COVID-19 lockdowns in China	R1-2600;R2-2720.S1- 2300;S2-2100
Zinc	Sideways to positive	LME metal inventories plunge to critical levels	R1-375;R2-380.S1- 355;S2-348
Crude Oil	Mildly Bearish	coordinated inventory release by several countries	R1-7450;R2-7600.S1- 7120;S2-7000
Naturalgas	Mildly Bullish	Ongoing geopolitical tensions	R1-500;R2-525.S1- 450;S2-425



BULLIONS

- Gold is trading firm on expectations of further escalation in the Ukraine crisis as the United Nations (UN) Human Rights Council has suspended Russia as a member.
- The UN Human Rights Council was left with no other option than to cease Moscow as a member now after a massacre in Bucha, Ukraine. Earlier, Ukraine President Volodymyr Zelenskyy accused Russian rebels of war crimes in the largest part of Kyiv. In response to the allegation, UN members voted against Russia.
- Meanwhile, US lawmakers have voted to strip Russia of 'most Favored Nations' trade status, which could end normal trade with Russia and may lead to higher tariffs, as per Reuters.
- Meanwhile, the US dollar index (DXY) is looking for a trigger that will drive the asset towards the psychological figure of 100.00. The DXY is struggling around 99.80 but is likely to tap 100.00 soon amid higher odds of a 50 basis point (bps) interest rate hike by the Federal Reserve in May.

Outlook

The gold price has been extremely resilient to the most hawkish Federal Reserve in a generation. Instead, the gold price is elevated due to protection against the fog of war and could also be associated with the inflationary and/or recession narratives playing out in markets. US CPI data is likely to keep market volatile in this week.

CRUDE OIL

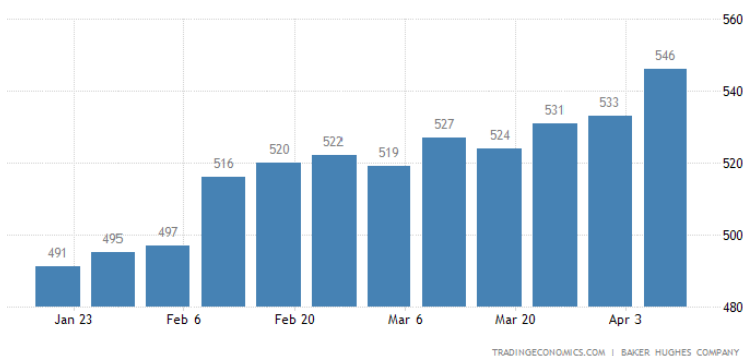
- Oil Prices in 2nd Weekly Slip as Emergency Stockpile Release Eases Supply Fears. Oil prices settled higher Friday, but slipped to another weakly defeat after countries agreed to release millions of barrels from their emergency reserves offsetting signs of falling Russia output in early April as sanctions bite.
- Oil prices were dealt a blow this week after member nations of the International Energy Agency agreed to release 60 million barrels over the next six months, easing fears of a supply shortage.
- This sizeable release of oil from the emergency reserves -- in tandem with the United States' plan to release 180 million barrels of oil -- would likely ease the supply situation on the oil market noticeably.

Outlook

Oil market may remain under pressure on release of US strategic oil reserves and lockdowns in China. The easing fears of supply disruptions, at least temporarily, offset signs of falling production in Russia as sanctions appear to be having impact on Russian crude demand.

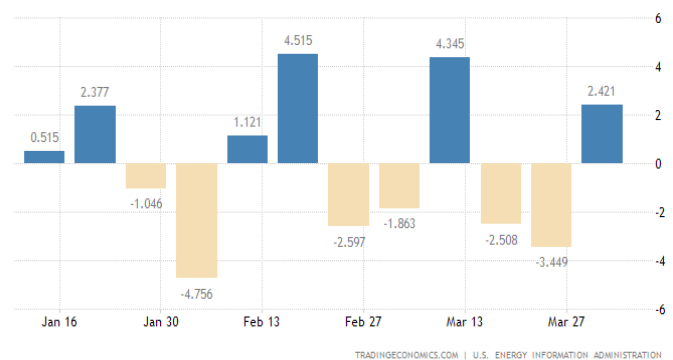
U.S. drillers add oil and gas rigs for third week in a row

U.S. energy firms last week added oil and natural gas rigs for a third week in a row as the federal government seeks more production to help its allies wean themselves off Russian oil and gas after Moscow invaded Ukraine on Feb. 24. The Kremlin calls its actions in Ukraine a "special military operation." The oil and gas rig count, an early indicator of future output, rose 16 to 689 in the week to April 8, its highest since March 2020. Baker Hughes said that puts the total rig count up 257 rigs, or 59%, over this time last year. U.S. oil rigs rose 13 to 546 this week.



EIA Confirms Crude Build

Crude oil prices fell today after the Energy Information Administration reported an inventory increase of 2.4 million barrels for the week to April 1. This compared with a draw of 3.4 million barrels for the previous week. A day earlier, the American Petroleum Institute reported an estimated crude oil inventory build of 1.56 million barrels. In gasoline, the EIA estimated an inventory draw of 2 million barrels for the week to April 1, which compared with a build of 800,000 barrels for the previous week.





BASE METALS

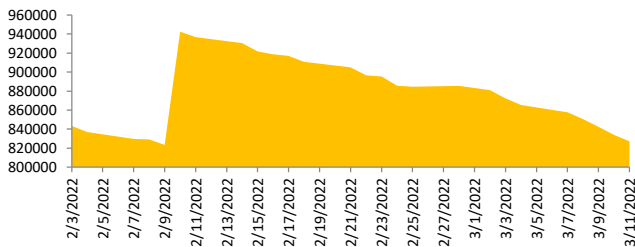
- Metals prices closed on mixed note during last week on concern that weak factory activity and COVID-19 lockdowns in top metals market China will dampen demand, however declining inventories provided cushion to the prices.
- Available stockpiles across the six main contracts on the LME – copper, aluminium, zinc, lead, tin and nickel – have fallen to the lowest level on record based on data going back to 1997
- LME suspends placement of Russian base metals in UK warehouses

Outlook

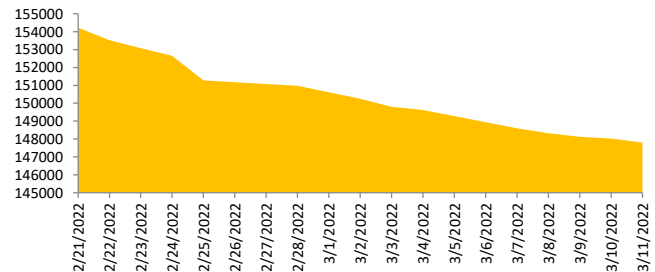
The worsening outbreak of COVID-19 in China, where Shanghai reported over 20,000 cases on daily basis, has placed further stress on supply chains but has also kept a lid on base metal prices given the country is a major importer of commodities.

Weekly LME Inventory Update

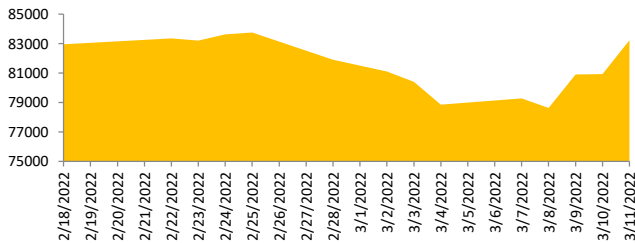
Aluminium



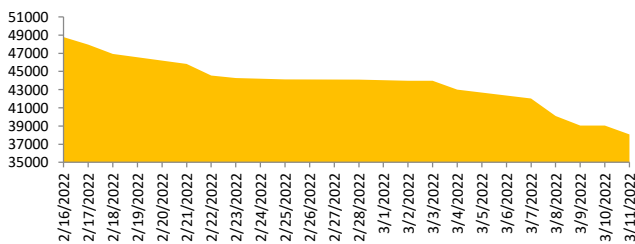
Zinc



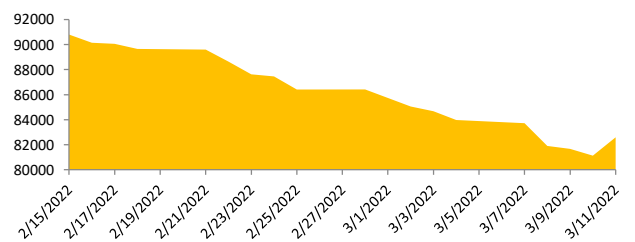
Copper



Lead



Nickel



LME INVENTORY CHANGES

Metal	4-Apr	5-Apr	6-Apr	7-Apr	8-Apr
Day	Mon	Tue	Wed	Thu	Fri
Aluminium	-6200	-6450	-6450	-100	-4025
Copper	825	1175	1175	6350	2500
Lead	100	500	500	0	0
Nickel	972	-438	-438	288	-498
Zinc	-2275	-3550	-3550	-2750	-2000
Total	-6578	-8763	-8763	3788	-4023

LME INVENTORY DETAILS

Metal	1-Apr	8-Apr	Change	Change
Day	Fri	Fri	Absolute	%
Aluminium	722926	713576	-9350	-1.31%
Copper	101225	108450	7225	6.66%
Lead	38424	39024	600	1.54%
Nickel	79537	81019	1482	1.83%
Zinc	147875	135575	-12300	-9.07%
Total	1089987	1077644	-12343	-1.15%



Weekly Economic Events

Economic Events 11/04/2022							
Country	Currency	Time(IST)	Economic Events for the day	Previous	Forecast	Actual	Impact
			No Major Events				
Economic Events 12/04/2022							
Country	Currency	Time(IST)	Economic Events for the day	Previous	Forecast	Actual	Impact
US	USD	6:00 PM	CPI m/m	0.80%	1.20%	-	High
US	USD	9:40 PM	FOMC Member Brainard Speaks				Medium
US	USD	10:30 PM	10-y Bond Auction				Medium
Economic Events 13/04/2022							
Country	Currency	Time(IST)	Economic Events for the day	Previous	Forecast	Actual	Impact
US	USD	6:00 PM	PPI m/m	0.80%	1.10%	-	High
US	USD	8:00 PM	Crude Oil Inventories	2.4M	-	-	Medium
Economic Events 14/04/2022							
Country	Currency	Time(IST)	Economic Events for the day	Previous	Forecast	Actual	Impact
Eurozone	Euro	5:15 PM	Main Refinancing Rate	0.00%	0.00%	-	High
Eurozone	Euro	5:15 PM	Monetary Policy Statement	-	-	-	High
Eurozone	Euro	6:00 PM	ECB Press Conference	-	-	-	High
US	USD	6:00 PM	Retail Sales m/m	0.60%	0.30%	-	High
US	USD	6:00 PM	Unemployment Claims	166K	175K	-	Medium
US	USD	7:30 PM	Prelim UoM Consumer Sentiment	59.4	58.8	-	Medium

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