



Macro highlights

- German economy shows resilience at the start of 2022
- US output growth slows to 18-month low as Omicron wave exacerbates supply delays and labor shortages
- US Consumer Confidence Fell in January
- Germany's Ifo index brings back hope in January
- Sales of new single-family houses in December 2021 were at a seasonally adjusted annual rate of 811,000
- Fed confirms move to post-pandemic policy
- US economy grew 5.7% in 2021 in rebound from 2020 recession
- U.S. Durable Goods Orders Post First Decline in Three Months
- Weekly initial claims were 260,000, a decrease of 30,000 from the previous week's revised level.
- US Pending Home Sales Slide 3.8% in December
- Key Fed inflation gauge rises 4.9% from a year ago, fastest gain since 1983
- US: Jan. Consumer Sentiment Down 4.8% to 67.2, Lowest Since Nov. 2011

MCX				
Commodity	Prev Close	Close	Change	% Change
Gold	48236	47610	-626	-1.31%
Silver	64820	61100	-3720	-6.09%
Aluminium	239.00	245.00	6	2.45%
Copper	752.00	738.00	-14	-1.90%
Lead	185.00	186.00	1	0.54%
Nickel	1817.00	1694.00	-123	-7.26%
Zinc	298.00	299.00	1	0.33%
Crude Oil	6313	6549	236	3.60%
Natural gas	297.00	346.00	49	14.16%

Commodity	View	Rationale	MCX Levels
Gold	Range bound to negative	Buying on lower level is expected	R1- 47800;R2- 48200.S1- 47400;S2- 47100
Silver	Range bound to negative	Buying on lower level is expected	R1- 61500;R2- 62800.S1-60500;S2 -59800
Aluminium	Sideways to negative	Market may turn flat ahead of Chinese Lunar new year	R1-246;R2-250.S1- 232;S2-228
Copper	Sideways to negative	Production decline in world's top mines	R1-745;R2-755.S1- 730;S2-722
Lead	Sideways to negative	Surging energy prices globally	R1-187;R2-190- 183;S2-180
Nickel	Sideways to negative	Emission control ahead of winter Olympics	R1-1735;R2-1780.S1- 1665;S2-1640
Zinc	Sideways to negative	Surging energy prices globally	R1-300;R2-305.S1- 293;S2-288
Crude Oil	Mildly Bullish	Price may decline initially on profit taking, but buying on lower levels is possible	R1-6600;R2-6750.S1- 6450;S2-6300
Naturalgas	Mildly Bullish	Energy crises supportive for prices	R1-360;R2-390.S1- 325;S2-315



BULLIONS

- Gold erased all the gains it registered since the beginning of the year in a matter of three days with the US Federal Reserve doubling down on the hawkish policy outlook.
- The Fed announced on Wednesday that it left its policy settings unchanged and said that the quantitative easing (QE) program will end in early March as planned. "Indicators of economic activity and employment have continued to strengthen," the statement further read.
- These hawkish comments caused Wall Street's main indexes to continue to suffer losses and provided a boost to the greenback. The benchmark 10-year US Treasury bond yield rose more than 5% and reclaimed 1.8% after edging lower toward 1.7% earlier in the week.

Outlook

Nevertheless, Powell made it clear that they are prioritizing inflation control over employment and investors could ignore a meagre growth in payrolls. Having said that, Average Hourly Earnings will be the key data point to watch. Fed policymakers are concerned that a steady rise in wages could cause consumer inflation to remain high for a prolonged period. This week there are queue of important data which may keep gold quite volatile and choppy, cautious approach should be taken.

CRUDE OIL

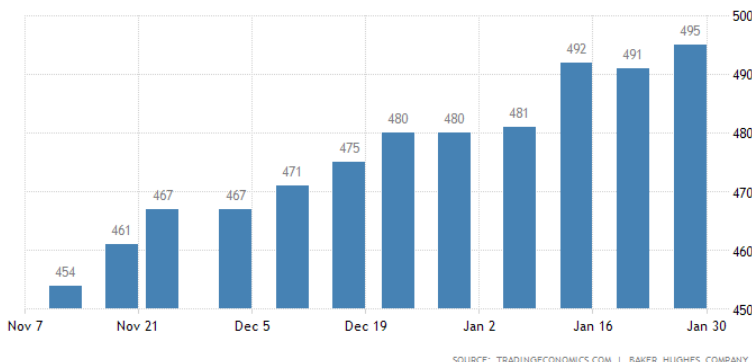
- Crude prices posted a sixth straight weekly win, with global benchmark Brent printing a new \$90-a-barrel peak.
- Brent hit an eight-year high of \$90.25 per barrel before setting up 69 cents, or 0.7%, at \$90.03. While WTI, the benchmark for U.S. crude, settled up 21 cents, or 0.2%, at \$86.82.
- The latest run was fueled again by the political theater of the Russia-Ukraine conflict, and the upcoming meeting of oil producers alliance OPEC+, which never fails to provide its own drama to keep crude prices on the boil.
- Russia-Ukraine tensions reached a new high after Moscow's military buildup near Ukraine has expanded to include supplies of blood along with other medical materials that would allow it to treat casualties. It was another indicator yet of the Kremlin's military readiness in the conflict. OPEC+, meanwhile, readied for its Feb. 2 monthly meeting.

Outlook

Oil market is expected to remain cautious and choppy ahead of OPEC meeting scheduled on 2nd Feb, where OPEC + countries will decide upon the production quota target for next month. OPEC might get inflationary pressure from US to cool down surging oil prices by rising additional production targets. Oil market is likely to remain cautious ahead of OPEC meeting and get clear trend after the meeting outcomes.

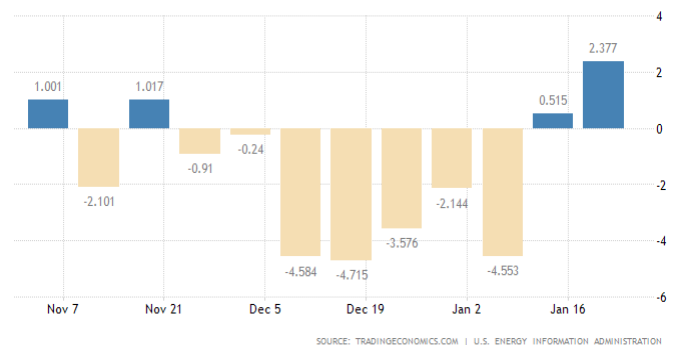
Baker Hughes data show a weekly climb in the U.S. oil-drilling rig count

Baker Hughes on Friday reported that the number of active U.S. rigs drilling for oil was up by four to 495 this week. That followed a fall of just one oil rig the week before, Baker Hughes data show. The total active U.S. rig count, which includes those drilling for natural gas, climbed by six to 610, according to Baker Hughes. Oil prices continued to trade higher in Friday dealings, but traded below the session's highs.



EIA data show U.S. crude supplies up a second straight week

The Energy Information Administration reported that U.S. crude inventories rose by 2.4 million barrels for the week ended Jan. 21, following a 500,000-barrel increase the week before. The American Petroleum Institute on Tuesday reported an 872,000 million-barrel decline. The EIA also reported a weekly inventory climb of 1.3 million barrels for gasoline, while distillate stockpiles fell by 2.8 million barrels. The EIA data showed crude stocks at the Cushing, Okla., Nymex delivery hub edged down by 1.8 million barrels for the week.





BASE METALS

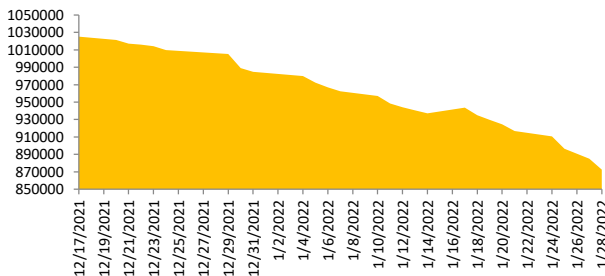
- Base metals traded on mixed note during the week. Amongst the complex Aluminum being the best performer up by more than 2%, followed by Zinc and Lead, both managed to close the week on positive note. Whereas, Nickel declined by more than 7% and Copper dropped by more than 1.5%.
- On the macro front, US economy grew at an annualized rate of 6.9% in the fourth quarter. With this reading surpassing the market expectation of 5.5% by a wide margin, the US dollar continued to outperform its rivals.
- Europe and China's power crunch sparks aluminium smelter meltdown.

Outlook

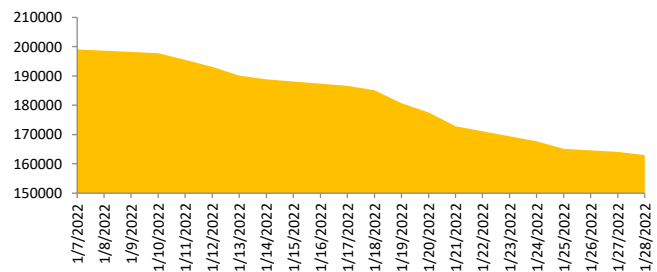
The overall market activity may turn flat and quiet ahead of fed meeting and Chinese lunar new year. It is expected that there will still be some demand in the market before the CNY holidays. If SHFE copper continues to decline, the buying interest may rebound significantly.

Weekly LME Inventory Update

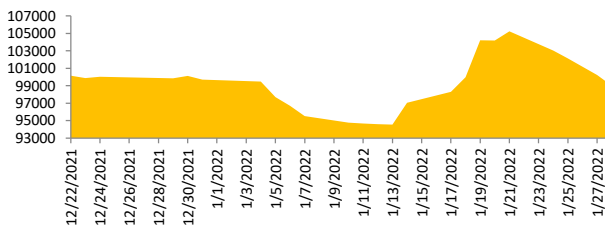
Aluminium



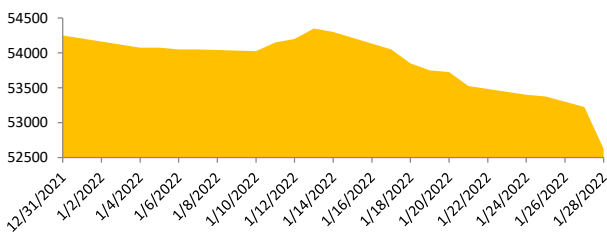
Zinc



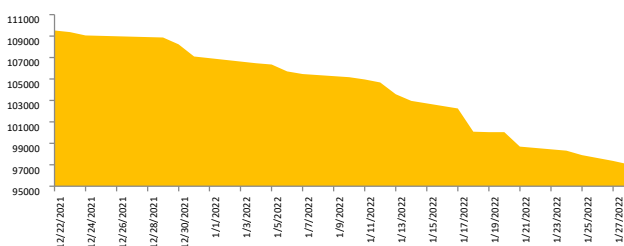
Copper



Lead



Nickel



LME INVENTORY CHANGES

Metal	21-Jan	24-Jan	25-Jan	27-Jan	28-Jan
Day	Fri	Mon	Tue	Thu	Fri
Aluminium	-7700	-6150	-14175	-11475	-12475
Copper	1050	-2200	-900	-1900	-1225
Lead	-200	-125	-25	-150	-600
Nickel	-1350	-378	-414	-540	-318
Zinc	-4725	-5150	-2575	-1025	-1125
Total	-12925	-14003	-18089	-15090	-15743

LME INVENTORY DETAILS

Metal	21-Jan	28-Jan	Change	Change
Day	Fri	Fri	Absolute	%
Aluminum	916801	872526	-44275	-5.07%
Copper	105225	99000	-6225	-6.29%
Lead	53524	52624	-900	-1.71%
Nickel	98689	97039	-1650	-1.70%
Zinc	172825	162950	-9875	-6.06%
Total	1347064	1284139	-62925	-4.90%



Weekly Economic Events

Economic Events 31/01/2022

Country	Currency	Time(IST)	Economic Events for the day	Previous	Forecast	Actual	Impact
US	USD	8:15 PM	Chicago PMI	63.1	61.7	-	Medium
US	USD	11:10 PM	FOMC Member George Speaks	48.7	47.9	-	High

Economic Events 01/02/2022

Country	Currency	Time(IST)	Economic Events for the day	Previous	Forecast	Actual	Impact
US	USD	8:30 PM	ISM Manufacturing PMI	58.7	57.4	-	High
US	USD	8:30 PM	JOLTS Job Openings	10.56M	10.35M	-	High

Economic Events 02/02/2022

Country	Currency	Time(IST)	Economic Events for the day	Previous	Forecast	Actual	Impact
All Day	All	All	OPEC-JMMC Meetings	-	-	-	High
US	USD	6:45 PM	ADP Non-Farm Employment Change	807K	210K	-	High
US	USD	9:00 PM	Crude Oil Inventories	2.4M		-	High

Economic Events 03/02/2022

Country	Currency	Time(IST)	Economic Events for the day	Previous	Forecast	Actual	Impact
US	USD	8:30 PM	ISM Services PMI	62	59	-	High
US	USD	8:30 PM	Factory Orders m/m	1.6%	-0.2%	-	Medium

Economic Events 03/02/2022

Country	Currency	Time(IST)	Economic Events for the day	Previous	Forecast	Actual	Impact
US	USD	7:00 PM	Average Hourly Earnings m/m	0.6%	0.5%	-	High
US	USD	7:00 PM	Non-Farm Employment Change	199K	166K	-	High
US	USD	7:00 PM	Unemployment Rate	3.9%	3.9%	-	High

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