

**Russia-Ukraine Conflict update**

- Ukraine's President said the country has "lost interest" in joining NATO, and it is time to discuss Crimea and east Ukraine issues with Russia
- Ukraine and Russia failed to make progress in halting the war. Russia indicated it will continue attacks until its goals are met, Ukrainian Foreign Minister Dmytro Kuleba said after the meeting lasting about 90 minutes with his Russian counterpart Sergei Lavrov in Turkey on Thursday.

**Macro highlights**

- China's export growth slows, Ukraine crisis poses risk
- Eurozone GDP up by 0.3% and employment up by 0.5% in the euro area
- US job openings hold above 11 million, nearly 5 million more than the total unemployment level
- US inflation at a 40-year high and the only way is up
- Initial claims were 227,000, an increase of 11,000 from the previous week's revised level.
- UMich Sentiment Slumps In March As 'Hope' Plunges, Inflation Expectations Surge

MCX				
Commodity	Prev Close	Close	Change	% Change
Gold	52549	52800	251	0.48%
Silver	69173	70246	1073	1.53%
Aluminium	308.30	283.00	-25	-8.94%
Copper	840.50	811.00	-30	-3.64%
Lead	189.40	186.00	-3	-1.83%
Nickel	2234.00	2800.00	566	20.21%
Zinc	335.50	319.00	-17	-5.17%
Crude Oil	8605	8325	-280	-3.36%
Naturalgas	383.90	367.00	-17	-4.60%

Commodity	View	Rationale	MCX Levels
Gold	Sideways to negative	Fed rate hike concerns, Easing tensions between Russia-Ukraine	R1- 52500;R2- 53000.S1- 51800;S2- 51000
Silver	Sideways to negative	Easing tensions between Russia-Ukraine	R1- 70000;R2- 72000.S1-67900;S2 -66000
Aluminum	Sideways to negative (Buy on Dips)	Easing tensions between Russia-Ukraine	R1-285;R2-300.S1- 270;S2-260
Copper	Sideways to negative	Easing tensions between Russia-Ukraine	R1-815;R2-825.S1- 795;S2-780
Lead	Sideways to negative	Easing tensions between Russia-Ukraine	R1-190;R2-195- S1-181;S2-175
Nickel	Sideways to negative	Easing tensions between Russia-Ukraine	R1-2850;R2-2900.S1- 2750;S2-2700
Zinc	Sideways to negative	Easing tensions between Russia-Ukraine	R1-320;R2-335.S1- 308;S2-298
Crude Oil	Mildly Bearish	Easing tensions between Russia-Ukraine	R1-8250;R2-8400.S1- 8030;S2-7900
Naturalgas	Mildly Bearish	Easing tensions between Russia-Ukraine	R1-375;R2-390.S1- 345;S2-330



## BULLIONS

- Gold retreated as Russian President Vladimir Putin's comments on making some progress in talks with Ukraine eased demand for the safe-haven asset that was further pressured by the likelihood that the U.S. interest rates were set to rise.
- With U.S. inflation ballooning in February, bets that the central bank will raise its benchmark overnight interest rate by at least 25 basis points on March 16, stood at 94%, according to CME's FedWatch.
- Tool. The market's obviously pricing in subsequent rate hikes. But the path of those rate hikes is clearly what the market will be focused on, moving forward.
- Meanwhile, benchmark U.S. 10-year Treasury yield rose, raising the opportunity cost of holding non-yielding bullion, while equities extended gains amid some progress in Russia-Ukraine talks.

### Outlook

Many positive fundamental factors, like inflation and supply chain disruption still remain but in the short term, we might have priced a good amount of those into the market. The Russia-Ukraine crisis will continue to support the prospect for higher precious metal prices, due to what this tension will mean for inflation (up), growth (down) and central banks' rate hike expectations (fewer).

## CRUDE OIL

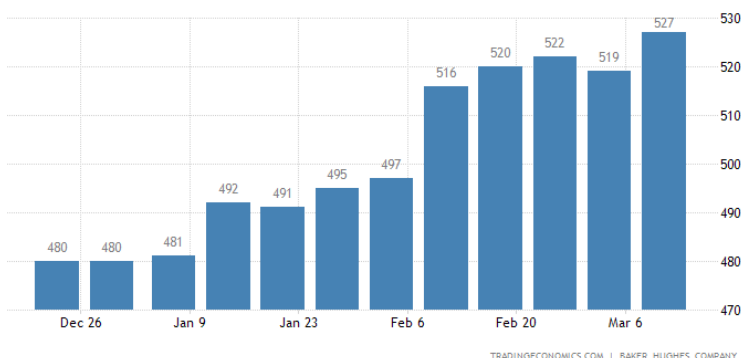
- Oil prices posted their steepest weekly decline since November, as traders assessed potential improvements to the supply outlook that has been disrupted by Russia's invasion of Ukraine.
- U.S. President Joe Biden said the G7 industrialized nations will revoke Russia's "most favored nation" trade status, and announced a U.S. ban on Russian seafood, alcohol and diamonds. The United States banned Russian oil this week.
- This week, the Russia-Ukraine conflict pushed the United States and many Western oil firms to stop buying Russian oil. There was talk of potential supply additions from Iran, Venezuela and the United Arab Emirates.

### Outlook

Next week the focus will shift to oil market reports from the International Energy Administration (IEA) and OPEC. Both have indicated the market should be oversupplied this year. In the near term, supply gaps are unlikely to be filled by extra output from members of the OPEC and allies, together called OPEC+, given Russia is part of the grouping. Some OPEC+ producers, including Angola and Nigeria, have struggled to meet production targets, limiting the group's ability to offset Russian supply losses

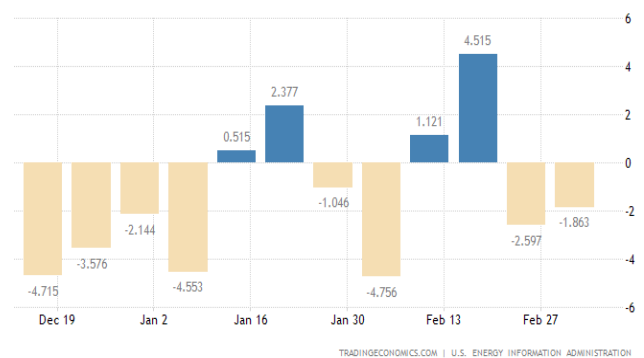
### U.S. Baker Hughes rig count

North America's rig count dropped by seven week on week, according to Baker Hughes' latest rotary rig count. The region's rig count now stands at 867, comprising 650 rigs from the U.S. and 217 rigs from Canada, the count highlighted. While the U.S. rig count stayed flat week on week, the Canada rig count dropped by seven during the same timeframe, according to Baker Hughes. Of the total U.S. rig count figure of 650, 635 rigs are classified as land rigs, 12 are classified as offshore rigs and three are classified as inland water rigs.



### U.S. Crude-Oil and Fuel Inventories Fall Across-the-Board

U.S. crude inventory draws more than estimates. U.S. crude-oil inventories fell more than expected last week, while gasoline and other fuel stockpiles also declined sharply, according to EIA. Crude-oil stockpiles fell by 1.9 million barrels to 411.6 million barrels, and are now about 13% below the five-year average, the EIA said. The Wall Street Journal had predicted crude stockpiles would decrease by 400,000 barrels from the prior week.





## BASE METALS

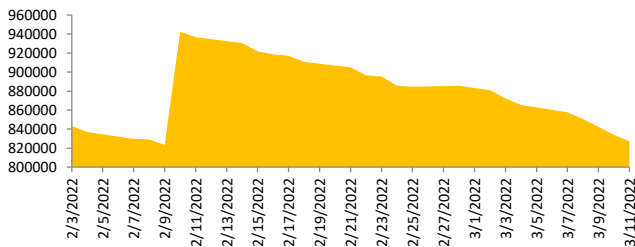
- London aluminum recorded a 9% weekly decline on Friday as investors turned cautious following nickel's trading suspension after an unprecedented surge in prices amid uncertainty over supplies from major producer Russia.
- Aluminum has gained nearly a fifth this year due to continued worries about the impact of the invasion of Ukraine by Russia, which accounts for about 6% of global supply of the lightweight metal.

### Outlook

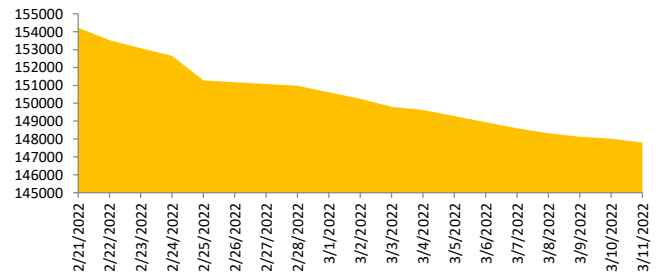
LME said on Thursday that Russian restrictions on exports and imports introduced on March 8 do not include metals, and therefore, will not affect its brands. U.S. consumer prices surged in February and inflation is poised to accelerate even further as Russia's war against Ukraine drives up the costs of crude oil and other commodities, making it almost certain the Federal Reserve will raise interest rates next week.

## Weekly LME Inventory Update

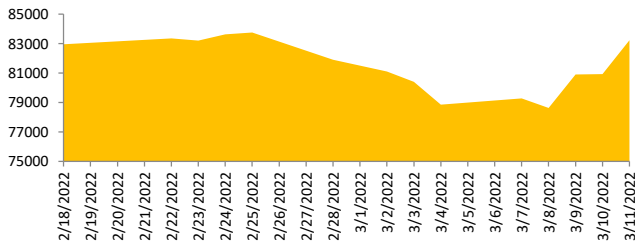
Aluminium



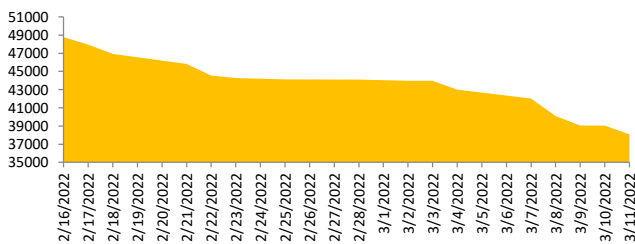
Zinc



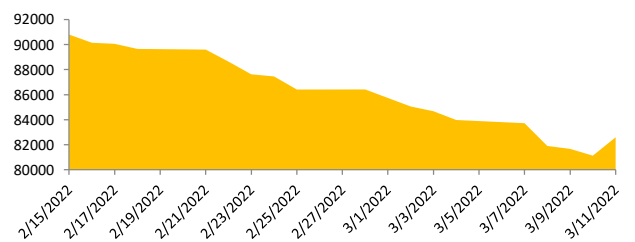
Copper



Lead



Nickel



LME INVENTORY CHANGES

Metal	7-Mar	8-Mar	9-Mar	10-Mar	11-Mar
Day	Mon	Tue	Wed	Thu	Fri
Aluminium	-7675	-7125	-8175	-8400	-6825
Copper	425	-650	2275	25	2300
Lead	-975	-1925	-1050	0	-975
Nickel	-252	-1818	-234	-540	1464
Zinc	-1025	-275	-200	-100	-225
<b>Total</b>	<b>-9502</b>	<b>-11793</b>	<b>-7384</b>	<b>-9015</b>	<b>-4261</b>

LME INVENTORY DETAILS

Metal	4-Mar	11-Mar	Change	Change
Day	Fri	Fri	Absolute	%
Aluminium	865376	827176	-38200	-4.62%
Copper	78850	83225	4375	5.26%
Lead	42999	38074	-4925	-12.94%
Nickel	83977	82597	-1380	-1.67%
Zinc	149625	147800	-1825	-1.23%
<b>Total</b>	<b>1220827</b>	<b>1178872</b>	<b>-41955</b>	<b>-3.56%</b>



## Weekly Economic Events

## Economic Events 15/03/2022

Country	Currency	Time(IST)	Economic Events for the day	Previous	Forecast	Actual	Impact
US	USD	6:00 PM	PPI m/m	1%	1%	-	High
US	USD	6:00 PM	Empire State Manufacturing Index	3.1	6.9	-	Medium

## Economic Events 16/03/2022

Country	Currency	Time(IST)	Economic Events for the day	Previous	Forecast	Actual	Impact
US	USD	6:00 PM	Core Retail Sales m/m	1%	1%	-	High
US	USD	6:00 PM	Retail Sales m/m	3.1	6.9	-	Medium
US	USD	8:00 PM	Crude Oil Inventories	-	-	-	High
US	USD	11:30 PM	FOMC Economic Projections	-	-	-	High
US	USD	11:30 PM	FOMC Statement	-	-	-	High
US	USD	11:30 PM	Federal Funds Rate	<0.25%	<0.50%	-	High

## Economic Events 17/03/2022

Country	Currency	Time(IST)	Economic Events for the day	Previous	Forecast	Actual	Impact
US	USD	6:00 PM	Philly Fed Manufacturing Index	16	15	-	Medium
US	USD	6:00 PM	Unemployment Claims	227K	221K	-	Medium
US	USD	6:45 PM	Industrial Production m/m	1.4%	0.6%	-	Medium

## Economic Events 18/03/2022

Country	Currency	Time(IST)	Economic Events for the day	Previous	Forecast	Actual	Impact
US	USD	7:30 PM	Existing Home Sales	6.5M	6.1M	-	Medium

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