

**Major Update**

- The missile strike at the oil storage depot in Jeddah sent crude prices up. Yemeni Houthi rebels claimed responsibility for the attack, with a spokesperson for the group saying it “would be announcing more details on a wide operation in Saudi Arabia”.

**Macro highlights**

- The US housing market performed strongly through the pandemic, boosted by aggressive stimulus and flexible working.
- German output price inflation hits new record high in March
- US: Durable Goods Orders fall by 2.2% MoM in February vs. 0.5% expected drop
- Initial claims was 187,000, a decrease of 28,000 from the previous week's revised level.
- US private sector expansion accelerates as demand strengthens and supply issues soften
- US UMich final March consumer sentiment 59.4 vs 59.7 expected
- Germany's most prominent leading indicator, the Ifo index, just tanked to the lowest level since January 2021.

MCX				
Commodity	Prev Close	Close	Change	% Change
Gold	51475	51888	413	0.80%
Silver	67950	68872	922	1.34%
Aluminium	271.00	292.15	21	7.24%
Copper	816.00	818.50	3	0.31%
Lead	183.00	183.60	1	0.33%
Nickel	2400.00	2599.00	199	7.66%
Zinc	320.00	338.00	18	5.33%
Crude Oil	7937	8621	684	7.93%
Naturalgas	374.00	426.90	53	12.39%

Commodity	View	Rationale	MCX Levels
<b>Gold</b>	Sideways to positive	Ongoing geopolitical tensions and covid outbreak in China	R1- 52400;R2- 52800.S1- 51400;S2- 51100
<b>Silver</b>	Sideways to positive	Ongoing geopolitical tensions	R1- 68800;R2- 69500.S1-67500;S2 -66400
<b>Aluminum</b>	Sideways to positive	Australia announced a ban on shipments to Russia	R1-294;R2-300.S1- 284;S2-278
<b>Copper</b>	Sideways to positive	Exchange stocks close to a 16-year low	R1-822;R2-831.S1- 799;S2-788
<b>Lead</b>	Sideways to positive	China's retail sales, industrial data soundly beat expectations	R1-190;R2-195- S1-181;S2-175
<b>Nickel</b>	Sideways to negative	Declining stocks	R1-2650;R2-2720.S1- 2250;S2-2120
<b>Zinc</b>	Sideways to positive	Declining stocks	R1-342;R2-350.S1- 328;S2-318
<b>Crude Oil</b>	Mildly Bearish	OPEC meeting on 31 <sup>st</sup> March	R1-8450;R2-8700.S1- 8150;S2-7900
<b>Naturalgas</b>	Mildly Bearish	Ongoing geopolitical tensions	R1-440;R2-455.S1- 412;S2-400



## BULLIONS

- A spike in U.S. Treasury yields sent gold prices skidding, although the yellow metal held on to a weekly gain of more than 1% on the back of geopolitical tensions fed by the war in Ukraine and inflation concerns that had Americans more worried than during the 1980s and 2008 recessions.
- After a tumble last week on the Fed's modest first pandemic-era rate hike of 25 basis points, yields have started climbing again as the central bank announced plans for more aggressive hikes of 50 basis points in the future to contain inflation at 40-year highs.
- Americans are more worried about inflation now than they were during the worst two US recessions in the 1980s and 2008, the University of Michigan said Friday in its closely-followed Consumer Sentiment Survey.

### Outlook

Gold typically thrives in an environment of heightened political and economic fear, and the war in Ukraine and runaway U.S. price pressures had fed both of these. The CPI has continued to expand aggressively since the start of 2022, reaching a year-on-year growth of 7.9% in February versus a GDP growth of 2.8% forecast for all of the year by the Federal Reserve. Week ahead Core PCE price index data would be crucial to watch for and may give cues about fed rate hike concerns in upcoming meeting.

## CRUDE OIL

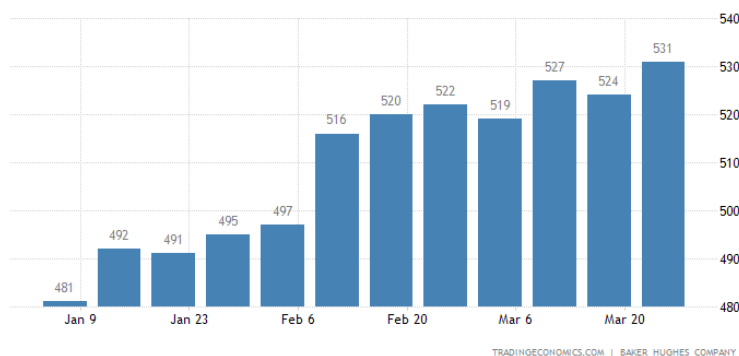
- Crude prices fell earlier on the easing of some supply concerns on the European market, particularly the partial export resumption from Kazakhstan's CPC crude terminal that Russia's energy minister said on Wednesday might be out for two months due to storm damages.
- Yemeni Houthi rebels claimed responsibility for the attack, with a spokesperson for the group saying it "would be announcing more details on a wide operation in Saudi Arabia".
- A coordinated release of crude from the emergency reserves of the United States and other consuming countries also weighed on prices earlier, with reports that more than 30 million barrels might come from the U.S. Strategic Petroleum Reserve to ease the oil deficit heightened by the month-long Russia-Ukraine war.

### Outlook

The missile strike at the oil storage depot in Jeddah sent crude prices up, reversing drop from earlier in and giving the market its best weekly gain since the Russian invasion of Ukraine. Prices are expected to remain supported on supply disruption.

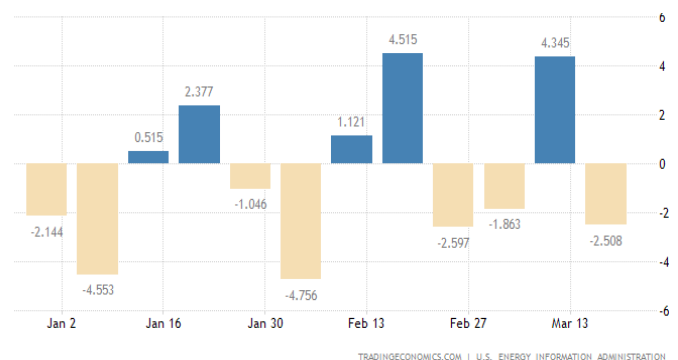
### Baker Hughes reports a weekly climb in the U.S. oil-drilling rig count

Baker Hughes on Friday reported that the number of active U.S. rigs drilling for oil was up by seven to 531 this week. That followed a decline of three oil rigs the week before, Baker Hughes data show. The total active U.S. rig count, which includes those drilling for natural gas, also climbed by seven at 670, according to Baker Hughes. Oil prices continued to edge higher in Friday dealings, as reports of an attack on a Saudi oil facility fed supply concerns.



### EIA reports weekly declines in U.S. crude, gasoline and distillate supplies

The Energy Information Administration reported on Wednesday that U.S. crude inventories fell by 2.5 million barrels for the week ended March 18. On average, the EIA was expected to show crude inventories unchanged for the week, according to surveyed by S&P Global Commodity Insights. The EIA also reported weekly inventory declines of 2.9 million barrels for gasoline and 2.1 million barrels for distillates.





## BASE METALS

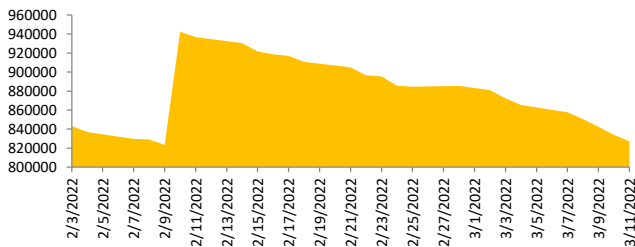
- Most base metals traded on positive note on supply concerns amid sanctions on Russia. Amongst metals complex Aluminum and Nickel were up by more than 7% followed by Zinc, which is up by more than 5%.
- On the macro front, US dollar index rose amid relatively exciting US economic data and US Fed's interest rate hike expectations, pressuring metals futures.
- Metals prices are still subject to Russia-Ukraine tensions and energy supply issue.

### Outlook

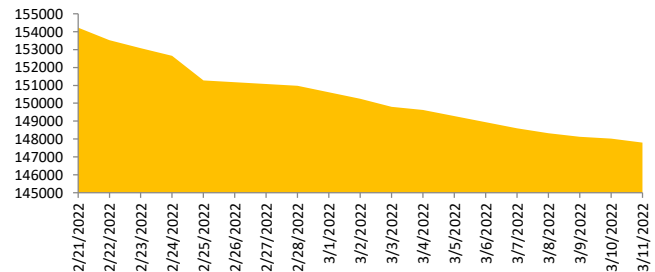
- Metals are expected to trade on mixed to positive note. Metals prices are still subject to Russia-Ukraine tensions and energy supply issue. Metals are likely to find support on rising crude oil prices, falling inventories and supply logistics issues.

## Weekly LME Inventory Update

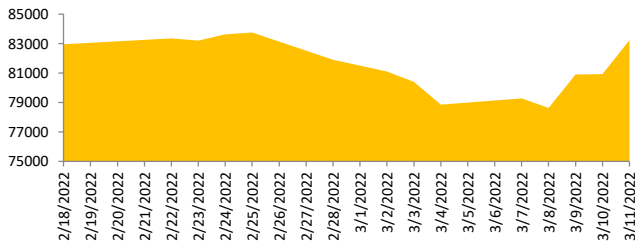
Aluminium



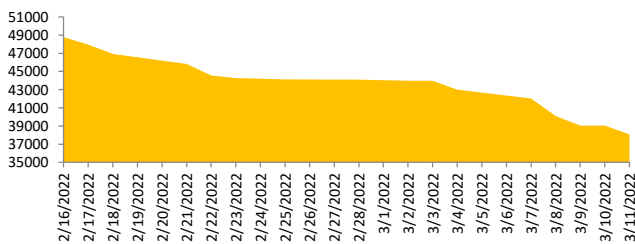
Zinc



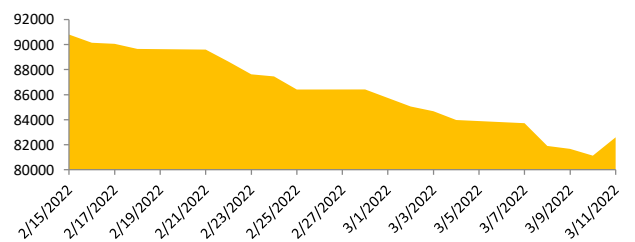
Copper



Lead



Nickel



LME INVENTORY CHANGES

Metal	17-Mar	21-Mar	22-Mar	24-Mar	25-Mar
	Thu	Mon	Tue	Thu	Fri
Aluminium	-9200	-10375	-9025	-5325	-6150
Copper	125	650	-50	700	-75
Lead	0	-50	0	0	0
Nickel	-414	-726	-54	-168	-150
Zinc	-175	-350	350	-225	-325
<b>Total</b>	<b>-9664</b>	<b>-10851</b>	<b>-8779</b>	<b>-5018</b>	<b>-6700</b>

LME INVENTORY DETAILS

Metal	17-Mar	25-Mar	Change	Change
	Fri	Fri	Absolute	%
Aluminium	795926	765051	-30875	-4.04%
Copper	86625	87850	1225	1.39%
Lead	38474	38424	-50	-0.13%
Nickel	81169	80071	-1098	-1.37%
Zinc	151100	150550	-550	-0.37%
<b>Total</b>	<b>1153294</b>	<b>1121946</b>	<b>-31348</b>	<b>-2.79%</b>



## Weekly Economic Events

## Economic Events 28/03/2022

Country	Currency	Time(IST)	Economic Events for the day	Previous	Forecast	Actual	Impact
			No Major Events				

## Economic Events 29/03/2022

Country	Currency	Time(IST)	Economic Events for the day	Previous	Forecast	Actual	Impact
US	USD	7:30 PM	JOLTS Job Openings	11.26M	11.00M	-	High
US	USD	7:30 PM	CB Consumer Confidence	110.5	106.9	-	Medium

## Economic Events 30/03/2022

Country	Currency	Time(IST)	Economic Events for the day	Previous	Forecast	Actual	Impact
US	USD	5:45 PM	ADP Non-Farm Employment Change	475K	455K	-	High
US	USD	6:00 PM	Final GDP q/q	7.0%	7.1%	-	Medium
US	USD	8:00 PM	Crude Oil Inventories			-	Medium

## Economic Events 31/03/2022

Country	Currency	Time(IST)	Economic Events for the day	Previous	Forecast	Actual	Impact
US	USD	6:00 PM	Core PCE Price Index m/m	0.5%	0.4%	-	High
US	USD	6:00 PM	Unemployment Claims	187K	200K	-	Medium
US	USD	8:00 PM	Chicago PMI	56.3	57.2	-	Medium

## Economic Events 01/04/2022

Country	Currency	Time(IST)	Economic Events for the day	Previous	Forecast	Actual	Impact
US	USD	6:00 PM	Average Hourly Earnings m/m	0.0%	0.4%	-	High
US	USD	6:00 PM	Non-Farm Employment Change	678K	485K	-	High
US	USD	6:00 PM	Unemployment Rate	3.8%	3.7%	-	High
US	USD	7:30 PM	ISM Manufacturing PMI	58.6	58.9	-	High

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