

GOLD REPORT

05 April 2021



Initial dips in gold prices were pared last week on brightened safe haven appeal. Easing in US treasury yields supported prices while rebounding dollar checked uptrend.

Global Economy

- Most global equities rallied higher last week. US Dow Jones index gained 0.24 percent, most European and Asian peers were also higher.
- International Monetary Fund was more optimistic about global growth in 2021, but signalled the possibility of uncertainty.
- US Consumer Confidence hits one year high of 109.7.
- The US economy added 916000 jobs in March of 2021, the most in 7 months, following an upwardly revised 468000 in February.

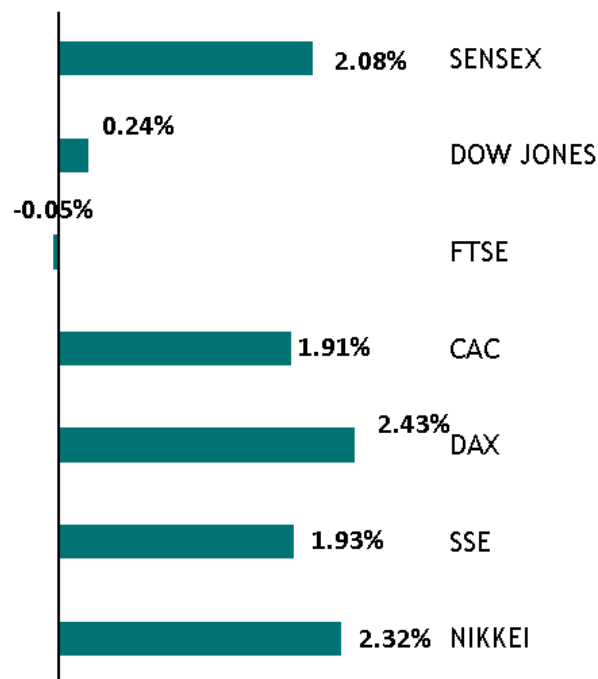
Currencies

- Dollar index ticked higher to near five month highs gaining 0.28 percent last week and closed at 93.022 marks against the basket of rivals.
- Euro slipped lower by 0.29 percent against dollar last week. Chinese Yuan corrected down by 0.36 percent, while Japanese Yen slipped near to a percent against greenback.
- Indian Rupee shed more than 1.00 percent and rested at 73.37 in previous week.

Gold

- London spot gold eased 0.18 percent, COMEX gold futures eased 0.33 percent.
- India's domestic Mumbai spot prices of gold shed 0.07 percent, MCX futures prices ticked up by 0.28 percent.
- Gold backed ETFs holdings with SPDR gold trust outflowed a sixth month in March.
- India's March gold imports surge 471 percent to a record 160 tonne

Indices



Currency

Currencies	Close	WoW % Chg
Dollar Index Spot	93.022	0.28%
Euro/US Dollar	1.1762	-0.29%
US Dollar/ Japanese Yen	110.71	-0.97%
US Dollar/ Indian Rupee	73.37	-1.04%
US Dollar/ Chinese Yuan	6.5646	-0.36%

*Currency rates mentioned above are Friday closing rates

Key Data/Events for the week

Day	Data/Events
Monday	Holiday for Chinese Markets
Monday	US Factory Orders
Wednesday	US FOMC Meeting Minutes
Thursday	US Fed Chairman Speech
Friday	China Inflation



Gold prices rebound from near four week low

In the early days of last week gold prices were pointed southward and rebounded later as safe haven appeal was boosted by a clouded economic outlook. The International Monetary Fund (IMF) expressed more optimism about global growth this year, but has reiterated there is still “high uncertainty” ahead.

Gold prices eased last week

The LBMA spot gold eased 0.18 percent to \$1728.84 an ounce in the last week. In the meantime, India’s domestic Mumbai spot gold closed 0.07 percent lower at Rs.44970 per 10 grams.

COMEX gold futures closed at \$1726.50 an ounce shedding 0.33 percent last week. MCX gold futures edged up moderately by 0.28 percent in the last week and closed at Rs44767 per 10 grams.

India’s March gold imports surge 471% to a record 160 MT

India’s gold imports in March surged 471% from a year earlier to a record 160 tonnes, the Reuters reported last week, as a reduction in import taxes and a correction in prices from record highs drew retail buyers and jewellers. The surge in imports could increase India’s trade deficit and pressure the rupee. India imported a record 321 tonnes in the March quarter, up from 124 tonnes a year ago. In value terms, March imports surged to \$8.4 billion from \$1.23 billion a year ago. In February, India slashed import duties on gold to 10.75 percent tax from 12.5 percent to boost retail demand and curtail smuggling into the South Asian country. Meanwhile, rising COVID19 cases could curtail India’s gold imports in April to a fall below 100 tonnes as jewellers fear government could impose lockdown to arrest rising infection rates.

Russia’s January gold output at 18.92 tonnes

Russia produced 18.92 tonnes of gold in January this year, down from the 19.92 tonnes in the same month in 2020, the finance ministry said. The country also produced 68.34 tonnes of silver in January, against 72.27 tonnes in January 2020.

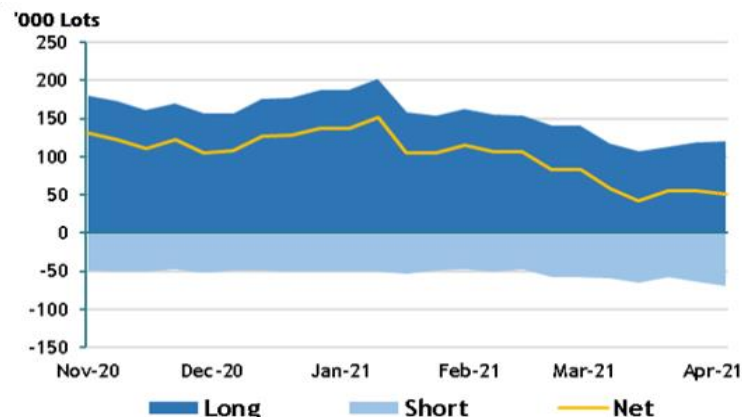
SPDR Gold ETFs post a sixth monthly outflows

The SPDR gold backed ETFs physical holdings posted a sixth monthly outflows by the end of March. The physical holdings of gold backed ETFs with SPDR gold trust declined by 5.12 percent in March after declining 5.74 percent in February. The totalled around 33.35 million troy ounces by the end of March.

Money Mangers reduced net longs in COMEX Gold F&O

The hedge funds and money managers increased their bullish and bearish positions in COMEX gold contracts in the week ended April 3, and the net longs in gold contracts increased as reported by the U.S. Commodity Futures Trading Commission (CFTC).

Money Managed Gold F&O Positions in COMEX



Spot Market Prices

Market	Close Price	WoW % Chg	YoY % Chg
LBMA	1728.84 (\$/Ozs)	-0.18%	10.04%
Mumbai	44970 (RS/10gm)	-0.07%	10.85%

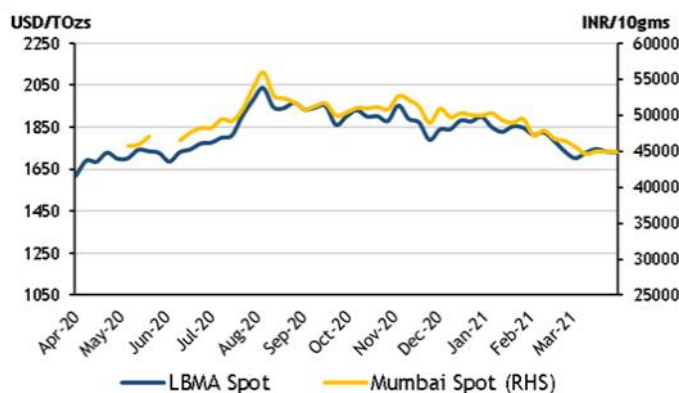
Futures Market Prices

Market	Close Price	WoW % Chg	YoY % Chg
COMEX	1726.50 (\$/Ozs)	-0.33%	8.24%
MCX	44767 (RS/10gm)	0.28%	3.20%

*Near month futures contracts in respective exchanges

*Prices mentioned above are Friday closing rates

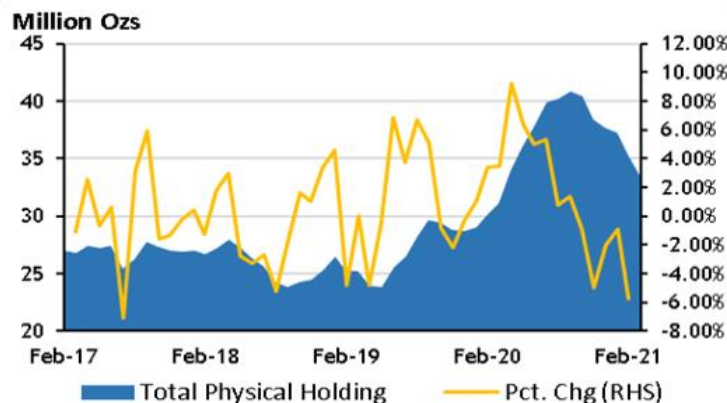
LBMA Vs Mumbai Spot Prices



Gold - U.S. Dollar Correlation



SPDR ETF Gold Physical Holdings (Ozs)



Daily PREC.M.XAU=

25.05.2020 - 21.04.2021 (GMT)



Outlook

International Gold: Better than expected global economic releases fuelled optimism over a swift global economic recovery which limited gold's demand as a safe haven. An increase in US treasury yields and steady global equities also hit the sentiment of bullion. Meanwhile, chances of increased physical demand from the top consumers like India and China likely to limit major selling pressure in the commodity.

Domestic Gold: Though weak international sentiment continue to hit gold lower, domestic prices may be remain supported with feeble Indian rupee and a likely higher demand.

Technical View: London Spot: Prices required to break \$1665 to continue weakness. Else, there are chances of recovery up-ticks but it has to break \$1770 to continue the momentum.

MCX: If the support of Rs 42200 remain hold, expect recovery rallies in the counter. A direct drop below the same is a signal of major liquidation pressure.

Trading Outlook		
	London Spot	MCX Kg May
Weekly View	RANGE BOUND	RANGE BOUND
Short Term View	NEGATIVE	NEGATIVE
Technical Levels		
Trading Range	\$1545-1880	Rs 40200-49200
Resistance 1	1745	45400
Resistance 2	1795	46800
Resistance 3	1860	49850
Pivot	1760	46000
Support 1	1692	44750
Support 2	1665	42200
Support 3	1565	40180



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