

SPECIAL MONTHLY REPORT ON

# BULLIONS

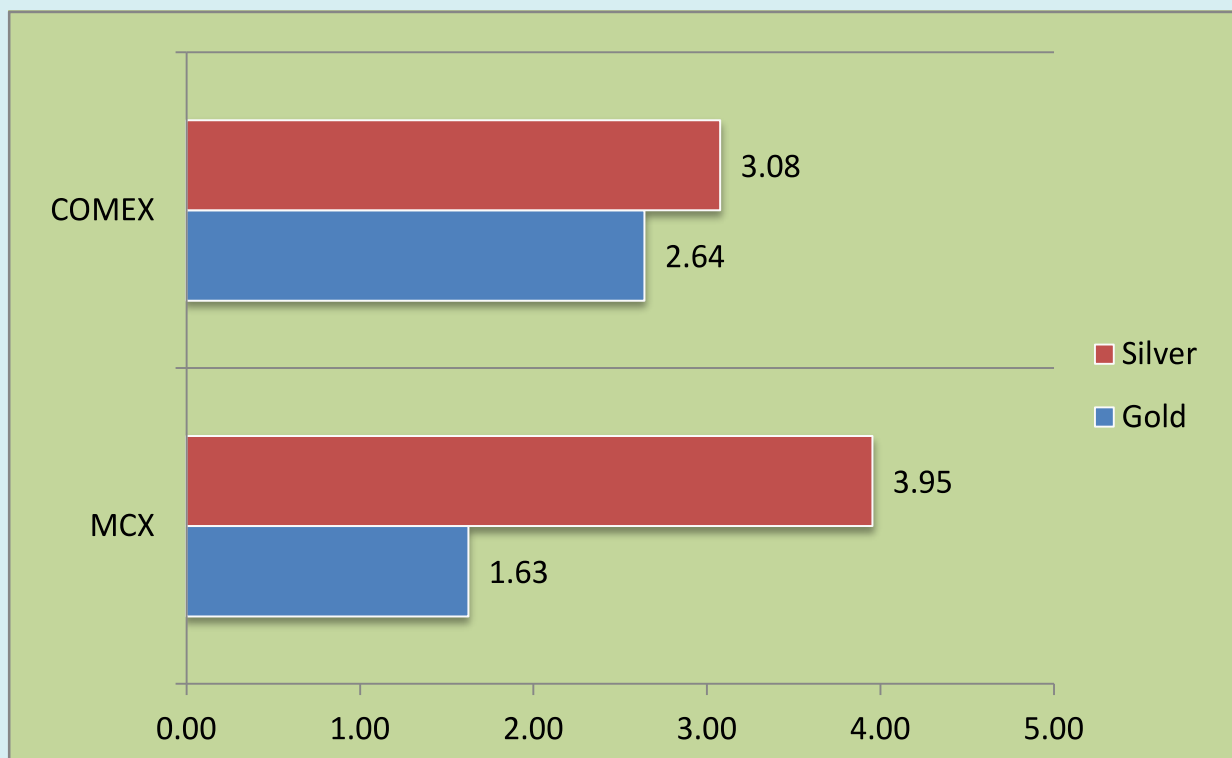
APRIL 2022



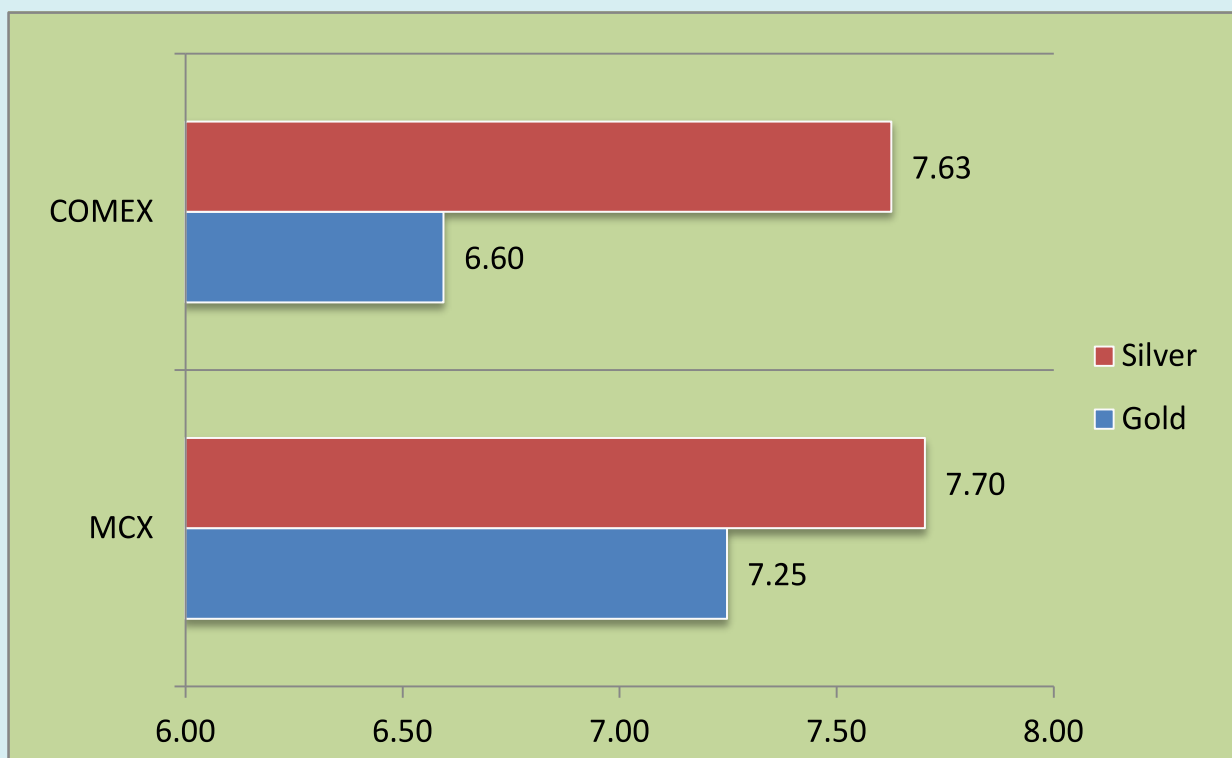
**smc**

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**BULLIONS PERFORMANCE (March 2022) (% change)**



**BULLIONS PERFORMANCE (January - March 2022) (% change)**



Source: Reuters & SMC Research

Gold prices registered its biggest quarterly gain with more than 6.5% Upside since the pandemic-led surge in mid-2020 as concerns over soaring consumer prices and the Ukraine crisis bolstered bullion's safe-haven appeal. The Federal Reserve has hinted toward aggressive rate hikes this year to fight against soaring inflation, which investors fear could send the U.S. economy into a recession. Analysts feared that inflationary pressures could threaten growth prospects and present a challenge for policymakers, prompting investors to hedge with bullion.

### Outlook

Looking ahead in April, gold is still trading on high risk premium. Now we have to give close look on war situation. The more than five week long Ukraine-Russia crisis is not going to end as negotiations aimed at ending the war between them were set to resume even as Ukraine are bracing for further attacks. If it intensifies then more ban and sanctions will come. If peace talks between Ukraine and Russia materialised then the war premium in gold will come down sharply and we may see sharp fall. So we should keep an eagle eye in war development. Furthermore, U.S. job data showed the unemployment rate falling to a new two-year low of 3.6% and wages re-accelerating, positioning the Fed to raise interest rates by a hefty 50 basis points in May. Back at home, INR appreciated recently and lower crude prices and rise in equity will keep it on appreciation side only so higher side will be capped in the market.

### Gold Price movement in MCX



Source: Reuters

### Gold Price movement in COMEX



Source: Reuters

### Silver Price movement in MCX



Source: Reuters

### Silver Price movement in Comex



Source: Reuters

**In April, Gold may trade in range of 49500-53000 and Silver may also witness huge volatility and trade in the range of 63500-69000 levels. On COMEX, gold may trade in range of \$1870-\$1970 and Silver may trade in range of \$23.50-\$26.00.**

### Major News

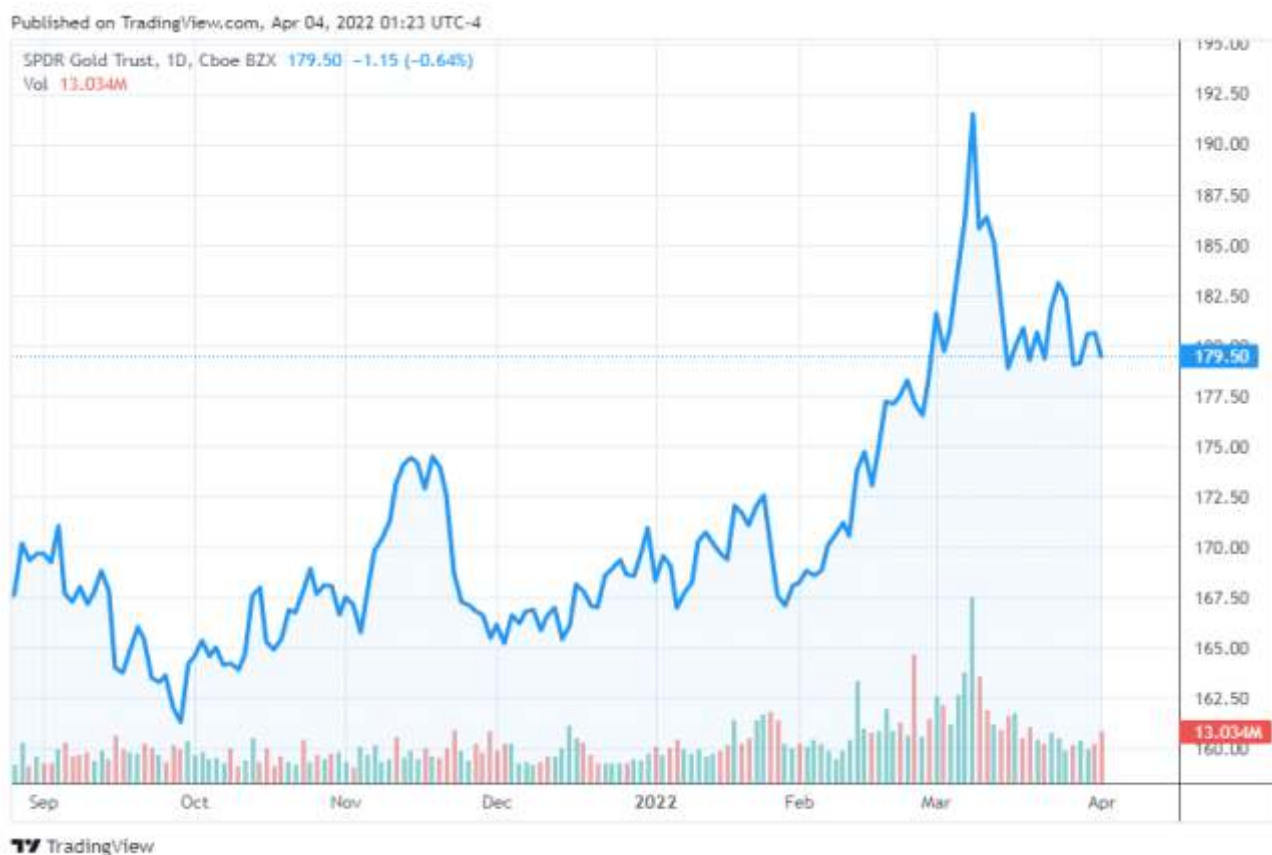
- The Ukraine story is positive for gold. Worsening geopolitical tensions over Ukraine has bolstered the safe-haven appeal of bullion.
- The financial repercussions from Russia-Ukraine conflict have sent ripples through the financial markets, with global equities having major declines and crude oil now priced above \$104 per barrel. Russia’s military action has increased inflationary pressures worldwide. This will provide some support to bullion as hedge against inflation.
- U.S. unemployment hitting a two-year low of just 3.6% last month, strong enough that investors bet it would strengthen the Federal Reserve's resolve to tackle inflation by lifting rates sharply.
- The US FED has indicated more aggressive hikes of 50 basis points, a maximum seven times this year and continued its monetary tightening into 2023 to contain inflation.

April 2022

- The Russian central bank will restart buying gold from banks and will pay a fixed price of 5,000 roubles (\$52) per gram between March 28 and June 30, the bank said. The central bank, which suspended gold purchases from banks in mid-March to meet increased demand for the precious metal from households, said the resumption of buying would help ensure sustainable supply and the uninterrupted functioning of gold producers.
- Russia’s huge gold industry is searching for new ways to sell its metal, such as exporting more to China and the Middle East, as sanctions choke off its traditional sales routes.
- Gold ETF holdings witnessed inflows as holdings at SPDR Gold Shares rose to 1092 tonnes.

### SPDR Gold trust holding

**Analysis:** SPDR gold share may trade in the range of 170-187 in near term.



Source: goldprice.org

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