



## Market Commentary

- Gold ranged from highs of ~\$1,754 to low of ~\$1716
- Silver ranged from highs of ~\$26.74 to low of ~\$25.80
- Optimism regarding speedy economic recovery triggered volatility in Yields and Dollar
- The first US-China meet of Biden admin did not get off to a fiery start
- The Fed Held Its Line on Easy Policy, boosting safe havens appeal

Gold prices saw a green closing for the second time this month (on weekly basis). Speculation regarding the Fed's policy meet, updates from the first US-China meet under President Biden Administration, economic data points from US like Retail Sales and Jobless Claims data all worked in favor of the metal prices. Yes, hint of a faster economic recovery from the Fed meet encourage volatility in Yields and Dollar hence capping some gains for the metal.

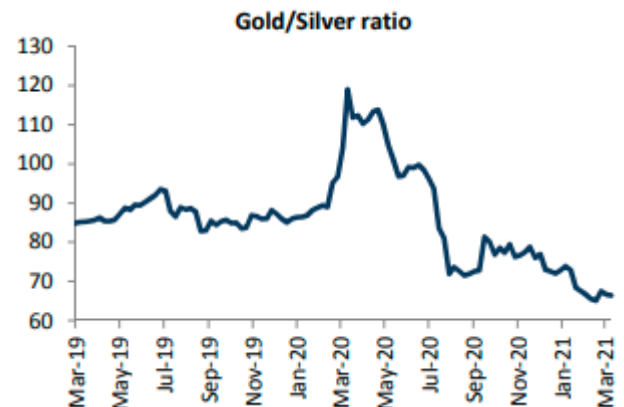
Markets' focus was undoubtedly fixed on FOMC policy meet and comments from Governor Powell. The main questions the market had for this meet were: Would the Fed feel obliged to suggest that the central bank might act earlier to combat perceived inflation risks? And how would the market react to the updated Economic Projections .i.e. now factoring the \$1.9t stimulus bill? And Will the Fed comment or suggest certain steps to curtail the rising bond yields?

Here's a rundown of the key takeaways from the FOMC:

- Short-term policy rates remain near zero (as expected)
- The median projection for GDP growth this year was revised to 6.5% (from 4.2% in Dec,) which would be fastest calendar-year growth in the US economy in well over 20 years

Gold- Weekly Market Data				
Exchange	Gold	COMEX	MCX	MCX BullDex
<b>Contract</b>	<b>Spot</b>			
<b>Open</b>	1776	1764	45986	14610
<b>Close</b>	1782	1776	46197	14785
<b>Change</b>	7	-46	-1121	-256
<b>% Change</b>	-2.26%	-2.51%	-2.37%	-1.70%
<b>Pivot</b>	1778	1776	46183	14758
<b>Resistance</b>	1796	1788	46504	14907
<b>Support</b>	1764	1764	45875	14637

Silver- Weekly Market Data			
Exchange	Silver	COMEX	MCX
<b>Open</b>	27.01	27.51	68000
<b>Close</b>	27.21	27.25	69012
<b>Change</b>	0.20	-0.25	-105
<b>% Change</b>	-0.51%	-0.26%	-0.15%
<b>Pivot</b>	27.00	27.39	68793
<b>Resistance</b>	27.81	27.42	70057
<b>Support</b>	26.39	27.22	67749



- The median projection for inflation (PCE, core) at the end of 2021 was also raised sharply, to 2.2% (from 1.8% in Dec)
- However, the projection of the forward path for policy rates still does not include any rate hikes before the end of 2023

US Bond yields have surged on the back of economic recovery expected in the coming months which could extend beyond Fed expectations, leading to spiraling inflation, as the central bank insists on keeping interest rates near zero. The dollar, which typically falls in an environment of heightened inflation fears, also rallied instead, amidst the economic recovery argument. Market expected an indication from the Fed that would intensify bond buying in the coming months, although Governor Powell declined to give any hint of the central bank adding to its Treasury purchases. Governor Powell said that as the year progresses, the U.S. jobless rate will likely decline from February's 6.2% while inflation expands 2.4% amid an overall 6.5% growth in GDP expected in an economy rebounding from a pandemic-stricken 2020. Thus, it will be a wait-and-see for further tampering of Fed policy, he said.

Apart from the Fed policy meet and mixed economic data points which are triggering volatility in the global market, there was one event which claimed all the attention, i.e. the first high level meet between US-China under President Biden Admin. The meet did have a fiery start, as the president admin has accused two dozen Chinese and Hong Kong officials of undermining autonomy in the territory, signaling it would maintain its tough stance towards Beijing ahead of its first high level meeting with the rival power. Market participants are awaiting a detailed update of the meet although, sanctions from President Biden and few other updates do create strong support for the metal.

Investment in gold witnessed an outflow for the week ended 21st Mar, 2021 and holdings currently stand at ~1048 tonnes compared to holding of ~1052 tonnes in the previous week. Holding in ishares ETF witnessed an outflow of ~124 tonnes and holdings currently stand at ~18302 tonnes.

### Outlook

This week, economic calendar have a few important data points and events which could trigger volatility in the market. Core PCE prices from the U.S. and Preliminary Manufacturing and Service

---

“Apart from the Fed policy meet and economic data points from the U.S., first high level meet between US-China under President Biden Admin also triggered volatility in the market last week”

---



Source: Reuters

PMI data expected from major economies will be important to watch for. Apart from that, any updates regarding the US-China meet last week will also be in focus. This week, few Fed officials and Fed governor are expected to make public appearances which will be important to watch for.

**Technical Outlook:-**

**Gold**

MCX Gold traded in a sideways range for the second straight week and has continued to sustain above the key support at Rs.44200. The 14-period RSI is indicating some signs of strength in price and crossover on MACD is also confirming the same for short-term. Strong supports on daily chart remains at Rs.44200 - 44000 and short covering will be seen as long as price holds above the same. However, upside too will be capped at Rs.45850 as it will act as key resistance mark. So, sideways-to-positive move will be seen in the upcoming sessions, but our bias will negate below support.



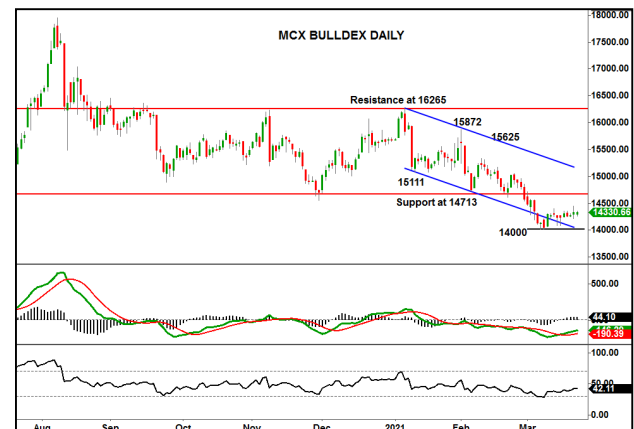
**Silver**

MCX Silver also traded in a sideways range for the second straight week and is not confirming any trend direction as of now. The 14-period RSI is flat close to mid-level of 50 not signifying any trend and MACD is also below the zero line confirming range move. Short-term support is placed at Rs.65200 whereas critical support remains at Rs.64050. immediate resistance is at Rs.68200 whereas major resistance is at Rs.70500. The metal is likely to trade in a broad range in the coming sessions and price sustained break on either side of the given range will give further trend direction.



**BULDEX**

As seen on daily chart, MCX Bulldex traded in a sideways range for the second straight week and is sustaining well above the strong support of 14000. Bias for the index looks sideways-to-positive in the upcoming trading sessions as the 14-priod RSI is also indicating signs of recovery. Also, MACD has given a crossover which is also indicating strength in price. Strong support is placed at 14000 – 13900 whereas resistance remains at 14550 – 14720 levels. So, buying is recommended in the coming session but our bias will negate below support zone.



**Navneet Damani**  
Research Head

**Manav Modi**  
Research Analyst

**For any details contact:**  
Commodities Advisory Desk - +91 22 3958 3600  
[commoditiesresearch@motilaloswal.com](mailto:commoditiesresearch@motilaloswal.com)

### **Commodity Disclosure 7 Disclaimer:**

The following Disclosures are being made in compliance with the SEBI Research Analyst Regulations 2014 (herein after referred to as the Regulations). MotilalOswal Financial Services Ltd. (MOFSL) is a SEBI Registered Research Analyst having registration no. INH000000412. MOFSL, the Research Entity (RE) as defined in the Regulations, is engaged in the business of providing Stock broking services, Investment Advisory Services, Depository participant services & distribution of various financial products. MOFSL is a subsidiary company of MotilalOswal Financial Service Ltd. (MOFSL). MOFSL is a listed public company, the details in respect of which are available on [www.motilaloswal.com](http://www.motilaloswal.com). MotilalOswal Financial Services Ltd. (MOFSL) is a SEBI Registered Research Analyst having registration no. INH000000412. MOFSL, the Research Entity (RE) as defined in the Regulations, is engaged in the business of providing Stock broking services, Investment Advisory Services, Depository participant services & distribution of various financial products. MOFSL is a subsidiary company of Passionate Investment Management Pvt. Ltd. (PIMPL). MOFSL is a listed public company, the details in respect of which are available on [www.motilaloswal.com](http://www.motilaloswal.com). MOFSL (erstwhile MotilalOswal Securities Limited - MOSL) is registered with the Securities & Exchange Board of India (SEBI) and is a registered Trading Member with National Stock Exchange of India Ltd. (NSE) and Bombay Stock Exchange Limited (BSE), Multi Commodity Exchange of India Limited (MCX) and National Commodity & Derivatives Exchange Limited (NCDEX) for its stock broking activities & is Depository participant with Central Depository Services Limited (CDSL) National Securities Depository Limited (NSDL), NERL, COMRIS and CCRL and is member of Association of Mutual Funds of India (AMFI) for distribution of financial products and Insurance Regulatory & Development Authority of India (IRDA) as Corporate Agent for insurance products. Details of associate entities of MotilalOswal Financial Services Ltd. are available on the website at <http://online.reports.motilaloswal.com/Dormant/documents/Associate%20Details.pdf>

Details of pending Enquiry Proceedings of MotilalOswal Financial Services Limited are available on the website at <https://galaxy.motilaloswal.com/ResearchAnalyst/PublishViewLitigation.aspx>

#### **Terms & Conditions:**

- This document is not for public distribution and has been furnished to you solely for your information and must not be reproduced or redistributed to any other person. Persons into whose possession this document may come are required to observe these restrictions.
- This material is for the personal information of the authorized recipient and we are not soliciting any action based upon it.
- This report is not to be construed as an offer to sell or solicitation of an offer to buy any commodity or commodity derivative to any person in any jurisdiction where such an offer or solicitation would be illegal.
- It is for the general information of clients of MOFSL and MOCBPL. It doesn't constitute a personal recommendation or take into account the particular investment objectives, financial situations, or needs of individual clients.
- The report and information contained herein is strictly confidential and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent of MOFSL.
- The report is based on the facts, figures and information that are considered true, correct, reliable and accurate.
- All such information and opinions are subject to change without notice.
- Though disseminated to all the customers simultaneously, not all customers may receive this report at the same time. MOFSL will not treat recipients as customers by virtue of their receiving this report.
- We have reviewed the report, and in so far as it includes current or historical information, it is believed to be reliable though its accuracy or completeness cannot be guaranteed.
- Neither MOFSL, nor any person connected with it, accepts any liability arising from the use of this document.
- The recipients of this material should rely on their own investigations and take their own professional advice. Price and value of the commodity referred to in this material may go up or down. Past performance is not a guide for future performance.
- Certain transactions including those involving commodity derivatives involve substantial risk and are not suitable for all investors.
- Reports based on technical analysis centers on studying charts of a commodity's price movement and trading volume as opposed to focusing on a commodity's fundamentals and as such may not match with a report on a commodity's fundamentals.
- Proprietary trading desk of MOFSL or its associates maintains arm's length distance with Research Team as all the activities are segregated from MOFSL research activity and therefore it can have an independent view with regards to subject commodity for which Research Team have expressed their views.
- MOFSL or its associates or Research Analyst or his relatives may have Open Position in subject commodity.
- A graph of daily closing prices of commodities is available at <http://www.moneyline.co.in/>
- Opinions expressed are our current opinions as of the date appearing on this material only. Prospective investors and others are cautioned that any forward-looking statements are not predictions and may be subject to change without notice.
- The commodities discussed and opinions expressed in this report may not be suitable for all investors, who must make their own investment decisions, based on their own investment objectives, financial positions and needs of specific recipient.
- This may not be taken in substitution for the exercise of independent judgment by any recipient. Each recipient of this document should make such investigations as it deems necessary to arrive at an independent evaluation of an investment in the securities of companies referred to in this document (including the merits and risks involved), and should consult its own advisors to determine the merits and risks of such an investment.
- The Company reserves the right to make modifications and alternations to this statement as may be required from time to time without any prior approval. MOFSL, its associates, their directors and the employees may from time to time, effect or have effected an own account transaction in, or deal as principal or agent in or for the commodities mentioned in this document.
- The views expressed are those of the analyst, and the Company may or may not subscribe to all the views expressed therein.
- The commodities described herein may or may not be eligible for trade in all jurisdictions or to certain category of investors. Persons in whose possession this document may come are required to inform themselves of and to observe such restriction. Neither the Firm, nor its directors, employees, agents or representatives shall be liable for any damages whether direct or indirect, incidental, special or consequential including lost revenue or lost profits that may arise from or in connection with the use of the information. The person accessing this information specifically agrees to exempt MOFSL or any of its affiliates or employees from, any and all responsibility/liability arising from such misuse and agrees not to hold MOFSL or any of its affiliates or employees responsible for any such misuse and further agrees to hold MOFSL or any of its affiliates or employees free and harmless from all losses, costs, damages, expenses that may be suffered by the person accessing this information due to any errors and delays.
- Certain transactions -including those involving futures, options, another derivative products as well as non-investment grade securities - involve substantial risk and are not suitable for all investors.
- MOFSL and its associate company(ies), their directors and Research Analyst and their relatives may (a) from time to time, have long or short positions in, and buy or sell the commodities mentioned herein or (b) be engaged in any other transaction involving such commodities and earn brokerage or other compensation or act as a market maker in the commodity/ (ies) discussed herein or have other potential conflict of interest with respect to any recommendation and related information and opinions. However the same shall have no bearing whatsoever on the specific recommendations made by the analyst(s), as the recommendations made by the analyst(s) are completely independent of the views of the associates of MOFSL even though there might exist an inherent conflict of interest in some of the commodities mentioned in the research report.
- MOFSL and its associates and Research Analyst have not received any compensation or other benefits in connection with the research report. Compensation of Research Analysts is not based on any brokerage transactions generated by broking activities under MotilalOswal group.

Registered Office Address: MotilalOswal Tower, RahimtullahSayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai-400025; Tel No.: 22 71934200/022-71934263; Website [www.motilaloswal.com](http://www.motilaloswal.com).

Correspondence Office Address: Palm Spring Centre, 2nd Floor, Palm Court Complex, New Link Road, Malad (West), Mumbai- 400 064. Tel No: 022 7188 1000.

Registration Nos.: MotilalOswal Financial Services Limited (MOFSL)\*: INZ000158836 (BSE/NSE/MCX/NCDEX); CDSL and NSDL: IN-DP-16-2015; Research Analyst: INH000000412. AMFI: ARN - 146822; Investment Adviser: INA000007100; Insurance Corporate Agent: CA0579, PMS: INP000006712. MotilalOswal Asset Management Company Ltd. (MOAMC); PMS (Registration No.: INP00000670); PMS and Mutual Funds are offered through MOAMC which is group company of MOFSL. MotilalOswal Wealth Management Ltd. (MOWML); PMS (Registration No.: INP000004409) is offered through MOWML, which is a group company of MOFSL. MotilalOswal Financial Services Limited is a distributor of Mutual Funds, PMS, Fixed Deposit, Bond, NCDs,

Insurance Products and IPOs. •Real Estate is offered through MotilalOswal Real Estate Investment Advisors II Pvt. Ltd. which is a group company of MOFSL. •Private Equity is offered through MotilalOswal Private Equity Investment Advisors Pvt. Ltd which is a group company of MOFSL. •Research & Advisory services are backed by proper research. Please read the Risk Disclosure Document prescribed by the Stock Exchanges carefully before investing. There is no assurance or guarantee of the returns. Investment in securities market is subject to market risk, read all the related documents carefully before investing. Details of Compliance Officer: Name: Neeraj Agarwal, Email ID: [na@motilaloswal.com](mailto:na@motilaloswal.com), Contact No.:022-71881085.

\* MOSL has been amalgamated with MotilalOswal Financial Services Limited (MOFSL) w.e.f August 21, 2018 pursuant to order dated July 30, 2018 issued by Hon'ble National Company Law Tribunal, Mumbai Bench. Customer having any query/feedback/ clarification may write to [query@motilaloswal.com](mailto:query@motilaloswal.com). In case of grievances for Securities Broking write to [grievances@motilaloswal.com](mailto:grievances@motilaloswal.com), for DP to [dpgrievances@motilaloswal.com](mailto:dpgrievances@motilaloswal.com)