

SPECIAL MONTHLY REPORT ON

BULLIONS

APRIL 2023



Moneywise. Be wise.

BULLIONS PERFORMANCE (March 2023) (% change)



Source: Reuters & SMC Research

BULLIONS PERFORMANCE (January - March 2023) (% change)



Source: Reuters & SMC Research

In March, gold prices registered more than 8% gain on Comex after its biggest monthly decline in February since June 2021. The gold prices also posted a second straight quarterly rise, the best quarterly result since Q2 2020, as growing bets that the U.S. Federal Reserve will slow the pace of interest rate hikes drew investors to the metal. Gold gained \$150 in March- its best month since July 2020. The recent global banking turmoil drove bets that the Fed would tone down its rate hike approach. The Fed indicated it was on the verge of pausing further increases in borrowing costs, boosting non-yielding gold's appeal. On the physical front, China's February net gold imports via Hong Kong nearly tripled from the previous month. Silver prices performed better than gold with almost 15% gain in Comex & 13% gain in MCX due to twin support of rise in gold and base metals.

Outlook

- Looking ahead in April, gold & silver prices will continue to trade with high volatility.
- Recent banking sector stress and the possibility of a follow-on credit crunch bring the U.S. closer to recession, Minneapolis Fed president Neel Kashkari said. However, U.S. Federal Reserve officials said there was no indication financial stress was worsening.
- A somewhat firmer dollar and a rebound in equity markets and risk appetite may probably drive gold lower, but bullion is likely to get continued support from big macro developments. The U.S. central bank last month raised rates by an expected 25 basis points, but its policy statement no longer said "ongoing increases" would likely be appropriate, indicating a clear shift in its stance.
- According to the CME FedWatch Tool, there is a 48.4% % chance of a 25bps rate hike in May.
- It is unclear whether the volatility in the banking sector is over. Barclays warned that the banking crisis is likely far from over, as a "second wave" of deposit outflows is coming.
- The economic conditions will only get worse as it takes up to 12 months before consumers start to feel the effects of the Federal Reserve's monetary policy tightening. While interest rates, at 5%, are still relatively low compared to historic levels, the rate of change has been unprecedented.
- In the meantime, the gold-backed ETF trends are reversing after significant outflows last year. In the past two weeks, ETF net buying was at 36 tonnes.



Source: Reuters



Source: Reuters

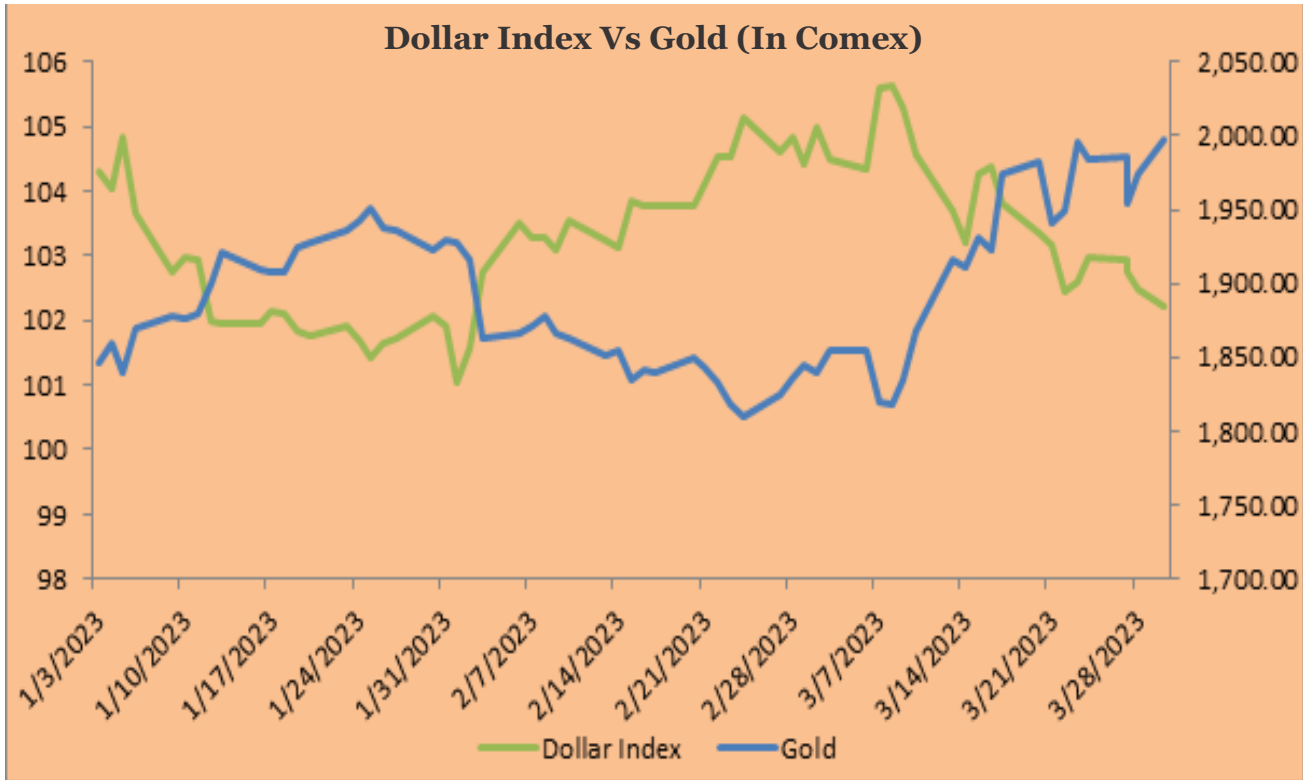


Source: Reuters



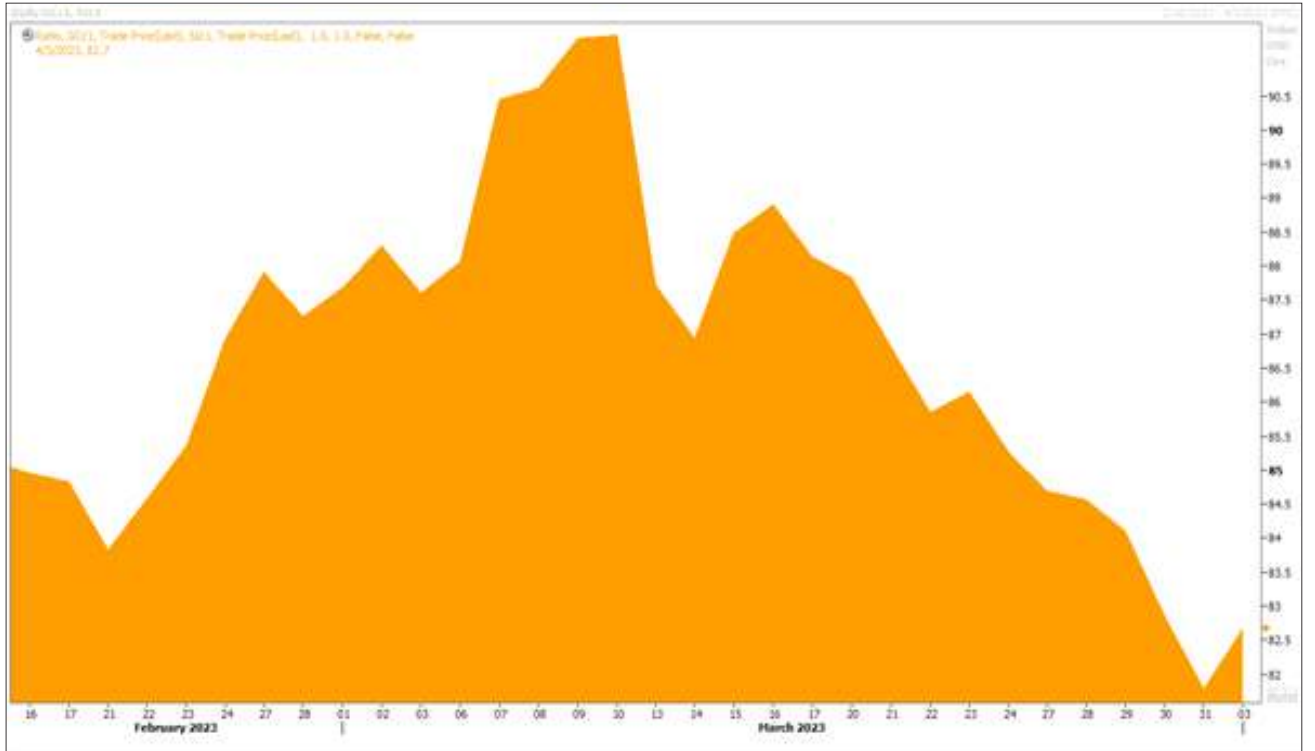
Source: Reuters

In April, Gold may trade in range of 53000-61000 and Silver may also witness huge volatility and trade in the range of 63000-74000 levels. On COMEX, gold may trade in range of \$1935-\$2015 and Silver may trade in range of \$22.90-\$25.00. Buy on dip should be best strategy.



Source: Reuters

Gold-Silver ratio on COMEX



Source: Reuters

Analysis: In March, gold-silver ratio declined from 88 to 83 as the silver prices performed more than gold. Now the ratio may move in the range of 79-97 in April.

SPDR Gold trust holding



Source: goldprice.org

Analysis: SPDR gold share prices are climbing since November 2022 but lost momentum in February-23 and slide to level near 169. The prices again climbed to high of 186 in March and now may trade in the range of 172-190 in near term.

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