

---

Safe-haven demand to keep gold prices firm  
Increasing demand optimism likely to keep oil prices higher

---

---

## SAFE-HAVEN DEMAND TO KEEP GOLD PRICES FIRM

---

- ▲ Gold prices rallied above two months high yesterday as safe-haven demand increased after comments from U.S. Federal Reserve Chairman Jerome Powell when he said that The U.S. economy is doing better, but is not out of the woods yet. Gold is currently trading near \$1,785, which is sharply from a recent low of \$1,673.30 registered during March.
- ▲ Meanwhile, The Reserve Bank of Australia maintained its current policy settings, including keeping the cash rate at 0.1%.
- ▲ Gold prices also found support from poor US economic data as U.S. manufacturing activity grew at a slower pace in April. US Mar construction spending rose +0.2% m/m, against expectations of +1.6% m/m. Also, the Apr ISM manufacturing index unexpectedly fell -4.0 to 60.7, against expectations of +0.3 to 65.0.
- ▲ Rising inflation is also supportive of gold prices, the U.S. Apr ISM price paid sub-index rose +4.0 to a 12-3/4 year high of 89.6, stronger than expectations of 86.0. Also, South Korea's consumer inflation accelerated to a near four-year high in April due to rising oil and agricultural prices.
- ▲ However other global economic data were bearish for gold. German Mar retail sales rose +7.7% m/m, against expectations of +3.0% m/m and the biggest increase in 10 months.
- ▲ Gold prices have ongoing support from the Covid-19 pandemic which is dovish for central bank policies. The overall global Covid-19 caseload has topped 153.1 million, while the deaths have surged to more than 3.20 million, according to the Johns Hopkins University.
- ▲ According to the CFTC Commitments of Traders report for the week ended April 27, net long for gold futures plunged by 10,879 contracts to 170,619 for the week. Speculative long position slipped by 5,268 contracts, while shorts increased by 5,611 contracts.

### Outlook

- ▲ Gold prices likely to remain firm while above 50 days EMA of \$1,767 however it may face stiff resistance near \$1,817 and \$1,836.

---

## INCREASING DEMAND OPTIMISM LIKELY TO KEEP OIL PRICES HIGHER

---

- ▲ Crude oil is now trading near \$65.00 is supported by easing of lockdowns in the US & Europe. It is likely to increase fuel consumption due to eased travel restrictions. The US is signing pandemic curbs in New Jersey and Connecticut, also European Union has planned to open up to more foreign visitors who have been fully vaccinated and hold a Digital Green Certificate. However, Fuel demand in India has plunged as the recent surge in new Covid infections.

- ▲ Global economic data were supportive of industrial growth and energy demand. German Mar retail sales rose +7.7% m/m, against expectations of +3.0% m/m and the biggest increase in 10 months.
- ▲ On the inventory front, as per the EIA report released last week; U.S. crude oil inventories as of April 23 were -0.2% below the seasonal 5-year average, gasoline inventories were -2.6% below the 5-year average, and distillate inventories were right on the 5-year average.
- ▲ US rig count data are watched as an early indication of oil production. As per Baker Hughes report, active U.S. oil rigs fell by -1 rig in the week ended April 30 to 342 rigs, well above August's 15-year low of 172 rigs.
- ▲ According to the CFTC Commitments of Traders report for the week ended April 27, net long for crude oil futures plunged by 10,272 contracts to 489,711 for the week. Speculative long position slipped by 567 contracts, while shorts declined –by 9,705 contracts.

## Outlook

- ▲ Crude oil prices are likely to stay firm while holding above 20 days EMA of \$62.99 and 50 days EMA of \$61.16, meanwhile, it may find immediate resistance near \$67.02 and \$68.20.

---

## DISCLOSURE & DISCLAIMER: ABANS BROKING SERVICES PVT. LTD. (ABSPL)

---

Prepared by:

Mr. Kamlesh Jogi | Market Research Analyst

email: [kamlesh.jogi@abans.co.in](mailto:kamlesh.jogi@abans.co.in)

Phone: +91 22 68354176 (Direct)

Abans Broking Services (P) Limited

36, 37, 38A, 3rd Floor, 227 Nariman Bhavan, Backbay Reclamation, Nariman Point, Mumbai-400 021

Phone +91 22 61790000 | Fax +91 22 61790000

Email: [info@abans.co.in](mailto:info@abans.co.in) | Website: [www.abans.co.in](http://www.abans.co.in)

---

### Membership Details:

MCX Member ID: 40385 / SEBI Reg. No. INZ000032733;

NCDEX: Member ID F00681 / SEBI Reg. No. INZ000032733

The following Disclosures are being made in compliance with the SEBI Research Analyst Regulations 2014 (herein after referred to as the Regulations). ABans Broking Services Pvt. Ltd. (ABSPL) is a SEBI Registered Research Analyst having registration no. INH000006369. ABSPL, the Research Entity (RE) as defined in the Regulations, is engaged in the business of providing Stock Broking services. ABSPL is a subsidiary company of ABans Finance Pvt. Ltd. (AFPL). AFPL is an NBFC, registered with the RBI, in the category of non-acceptance of public deposits.

One of the group companies of ABSPL is ABans Securities Pvt. Ltd. (ASPL) which is a SEBI registered member with NSE, BSE and MSE stock exchanges. ASPL is also a Depository Participant of CDSL. ABans Commodities Pvt. Ltd. (ACIPL) is another group entity which is also a registered member with MCX in the Commodity segment. Further details are available on the group website [www.abans.co.in](http://www.abans.co.in) Mandatory Disclosures as per the Regulations:

- ▲ Ownership & Material conflicts of interest –
  - ▲ Whether the Research Analyst or ABSPL, or his associate or his relative has any financial interest in the subject company and the nature of such financial interest – No
  - ▲ Whether the Research Analyst or ABSPL, or its associates or relatives, have actual/beneficial ownership of 1% or more securities of the subject company, at the end of the month immediately preceding the date of publication of this research report or date of the public appearance - No
  - ▲ Whether the Research Analyst or ABSPL, or his associate or his relative, has any other material conflict of interest at the time of publication of this research report or at the time of public appearance - No
- ▲ Receipt of Compensation –
  - ▲ Whether ABSPL, or its associates have received any compensation from the subject company in the past twelve months – No
  - ▲ Whether ABSPL, or its associates have managed or co-managed public offering of securities for the subject company in the past twelve months – No
  - ▲ Whether ABSPL, or its associates have received any compensation for investment banking or merchant banking or brokerage services from the subject company in the past twelve months – No
  - ▲ Whether ABSPL, or its associates have received any compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company in the past twelve months – No
  - ▲ Whether ABSPL, or its associates have received any compensation or other benefits from the subject company or third party in connection with the research report – No
- ▲ Whether the Research Analyst has served as an officer, director or employee of the subject company – No
- ▲ Whether the Research Analyst or ABSPL has been engaged in market making activity for the subject company – No
- ▲ Other material disclosures, if any

### Disclaimer:

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Neither ABans Broking Pvt. Ltd. (ABSPL), nor its directors, employees or affiliates shall be liable for any loss or damage that may arise from or in connection with the use of this information. The document is not, and should not be construed as an offer to sell or solicitation to buy any securities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from "ABans Broking Services Private Limited". Your feedback is appreciated on [compliance@abans.co.in](mailto:compliance@abans.co.in)