

Day's Highlights

- Gold gains as U.S. recession fears lift safe-haven appeal
- Oil prices fall as markets brace for potential U.S. recession
- Base metals fall on U.S. recession concerns

Gold prices firmed on Monday as concerns about a potential U.S. recession and decelerating global growth weighed on stock markets, which increased appetite for safer assets. U.S. markets received a clear warning of coming recession on Friday when the spread between yields on three-month Treasury bills and 10-year notes fell below zero for the first time since 2007 after U.S. manufacturing data missed estimates. Businesses across the euro zone performed much worse than expected this month as factory activity contracted at the fastest pace in nearly six years, hurt by a big drop in demand, a survey showed on Friday. British Prime Minister Theresa May held crisis talks with senior colleagues and hardline Brexiteers on Sunday trying to breathe life into her twice-defeated European divorce deal after reports her cabinet was plotting to topple her. U.S. President Donald Trump said trade negotiations with China were progressing and a final agreement "will probably happen," adding that his call for tariffs to remain on Chinese imported goods for some time did not mean talks were in trouble. Hedge funds and money managers increased their bullish wagers in COMEX gold by 15,971 contracts to 57,746 in the week to March 19, the U.S. Commodity Futures Trading Commission (CFTC) said on Friday. Demand for physical gold moderated this week in India as many jewelers held off on purchases ahead of the end of the country's financial year to pay off advance taxes, while premiums in Singapore rose slightly on tight supplies. SPDR Gold Trust, the world's largest gold-backed exchange-traded fund, said its holdings rose 0.4 percent on Friday.

Oil prices dropped on Monday as concerns of a sharp economic slowdown outweighed supply disruptions from OPEC's production cutbacks and U.S. sanctions on Iran and Venezuela. Brent crude oil futures were at \$66.52 per barrel, down 51 cents, or 0.8 percent, from their last close. U.S. West Texas Intermediate (WTI) futures were at \$58.42 per barrel, down 63 cents, or 1.1 percent, from their last settlement. Concerns about a potential U.S. recession resurfaced late last week after bearish remarks by the U.S. Federal Reserve sent 10-year treasury yields to the lowest since early 2018. In response, 10-year treasury yields slipped below the three-month rate for the first time since 2007. Historically, an inverted yield curve - where long-term rates fall below short-term - has signaled an upcoming recession. Adding to the fears of a more widespread global downturn, manufacturing output data from Germany, Europe's biggest economy, shrunk for the third straight month. The Organization of the Petroleum Exporting Countries (OPEC) and non-affiliated allies such as Russia, together referred to as 'OPEC+', have pledged to withhold around 1.2 million barrels per day (bpd) of oil supply this year to prop up markets, with OPEC's de-facto leader seen to be pushing for a crude price of over \$70 per barrel.

Most base metals moved lower in early Asian trade on Monday, as investors worried about the prospect of a recession in the United States, the world's biggest economy. The most traded May copper contract on the Shanghai Futures Exchange fell as much as 1.6 percent to 48,300 yuan (\$7,191.57) a tonne, its lowest since Feb. 18, and stood at 48,390 yuan as of 0119 GMT. Three-month copper on the London Metal Exchange was flat at \$6,313 a tonne after closing down 1.7 percent on Friday. Peruvian police said they have arrested the leader and two lawyers of an indigenous community, accusing them of trying to extort Chinese miner MMG Ltd by blocking a road it uses to transport copper for the past month. Copper stockpiles in ShFE warehouses fell slightly to 259,172 tonnes last week after a rapid build during a seasonal lull in demand. Chile's Antofagasta expects to reach an agreement with miner BHP to help ensure water supply at its Zalidvar copper mine in the country's northern desert, a company official told a Chilean newspaper on Friday. ShFE metals were down across the board, with nickel shedding 1 percent, while in London, zinc, nickel and aluminium edged down 0.3-0.4 percent.

Symbols	Exchange	Expiry	Close	Expected Movement	S1	S2	R1	R2	Strategy
Gold	MCX	Apr'19	32140	Uptrend	31980 \$1310	31900 \$1306	32190 \$1320	32320 \$1326	Buy around S1 with the S/L below S2 for the target of R1-R2
Silver	MCX	May'19	38362	Uptrend	38200 \$15.30	37900 \$15.10	38550 \$15.55	38800 \$15.70	Buy around S1 with the S/L below S2 for the target of R1-R2
Copper	MCX	Apr'19	437.45	Downtrend	434.00	432.00	439.00	442.00	Sell around R1 with the S/L above R2 for the target of S1-S2
Zinc	MCX	Mar'19	197.05	Downtrend	195.90	194.30	198.00	199.50	Sell around R1 with the S/L above R2 for the target of S1-S2
Aluminum	MCX	Mar'19	145.70	Downtrend	144.00	142.80	146.00	147.60	Sell around R1 with the S/L above R2 for the target of S1-S2
Nickel	MCX	Mar'19	893.70	Downtrend	881.00	870.00	898.00	905.00	Sell around R1 with the S/L above R2 for the target of S1-S2
Lead	MCX	Mar'19	139.70	Downtrend	138.20	137.00	140.00	141.00	Sell around R1 with the S/L above R2 for the target of S1-S2
Crude oil	MCX	Apr'19	4075	Downtrend	4020 \$58.00	3980 \$57.50	4080 \$58.90	4115 \$59.40	Sell around R1 with the S/L above R2 for the target of S1-S2
Natural Gas	MCX	Mar'19	191.60	Downtrend	185.00	183.00	191.00	194.00	Sell around R1 with the S/L above R2 for the target of S1-S2

**Metals & Energy
Technicals**

US Economic Data

Date	Time (IST)	Release	For	Consensus	Previous	Importance
25-Mar	18:00	Chicago Fed National Activity	Feb	-0.25	-0.43	High
25-Mar	20:00	Dallas Fed Mfg Business Index	Mar	9.6	13.1	High

Consensus represents the market consensus estimate for each indicator | **Previous** represents the last actual for each indicator.

Source: Reuters, Investing.com, briefing.com, fxstreet.com

U.S. Dallas Fed Mfg Business Index:

The Dallas Fed conducts the Texas Manufacturing Outlook Survey monthly to obtain a timely assessment of the state factory activity. A higher than expected reading should be taken as positive/bullish for the USD , while a lower than expected reading should be taken as negative/bearish for the USD.

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