DAILY ANALYSIS REPORT Thursday, January 20, 2022	ABANS

Silver is expected to outperform gold



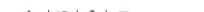
Silver is expected to outperform gold.

- Gold is now trading near \$1840, up substantially from last Friday's closing price of \$1816.50, but silver has outperformed gold this week. Silver is now trading at \$24.207, up from \$22.954 on Friday. This week, gold prices rose 1.32 percent, while silver prices rose approximately 5.59 percent from last week's close. Gold is facing tough resistance due to higher treasury bond yield and gold is yet to benefit from higher inflation data across the globe.
- Silver will continue to outperform gold as the global economy improves, boosting industrial demand for precious metals. The United States aims to restructure its economy in order to achieve carbon neutrality, and as a result, it is heavily promoting solar energy. In solar panels, silver is extremely significant. Solar panels will use the most silver after telecommunications.
- The net long of silver futures fell by 3371 contracts to 27548, according to the CFTC Commitments of Traders data for the week ended January 11. The number of speculative longs climbed by 1085 contracts, while the number of speculative shorts increased by 4456 contracts. We may see a net rise in long positions for Silver based on this week's pattern.
- Signs of strength in China's economy bolster the outlook for the global economy and industrial metals demand after China Dec exports rose +20.9% y/y, stronger than expectations of +20.0% y/y. Wednesday's U.S. housing data was bullish for the dollar and industrial metals demand. US Dec housing starts unexpectedly rose +1.4% m/m to a 9-month high of 1.702 million, stronger than expectations of a decline to 1.650 million. Also, Dec building permits, a proxy of future construction, unexpectedly rose +9.1% m/m to an 11-month high of 1.873 million, stronger than expectations of a decline to 1.703 million.
- Silver prices also found support after Germany December PPI data release. Germany's index of producer prices for industrial products grew 5% on a monthly basis in December 2021, faster than the 0.8% monthly growth in November 2021. On a yearly basis, the index of producer prices for industrial products rose by 24.2%, up from the 19.2% growth in November 2021 and higher than the estimated 19.4% rise.
- Silver prices are likely to get fresh direction from a speech from European Central Bank (ECB) President Christine Lagarde and colleagues, as well as the minutes from the central bank's December policy meeting due later today.
- Also, statements from Fed members this week, ahead of the central bank's policy meeting on January 25-26, are expected to provide direction on the Fed's next step. Meanwhile, the market has almost entirely priced in a March rate hike and rates of 1.0 percent by the end of the year.

Outlook

■ While above critical support levels of \$23.140 and \$23.052, silver prices are anticipated to trade firm. Around \$24.83-25.364, it may encounter minor resistance.

Abans Broking Services (P) Limited | www.abans.co.in | info@abans.co.in





DAILY ANALYSIS REPORT

Thursday, January 20, 2022



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

Prepared by:

Mr. Kamlesh Jogi | Market Research Analyst

email: 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 | Website: 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 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

