

Daily Bullion Physical Market Report

Date: 13th May 2024

Daily India Spot Market Rates

Description	Purity	AM	PM
Gold	999	72633	73008
Gold	995	72342	72716
Gold	916	66532	66875
Gold	750	54475	54756
Gold	585	42490	42710
Silver	999	84152	84215

Rate as exclusive of GST as of 10th May 2024 Gold is Rs/10 Gm & Silver in Rs/Kg

Gold and Silver 999 Watch

Date	GOLD*	SILVER*
10 th May 2024	73008	84215
09 th May 2024	71502	82342
08 th May 2024	71645	81542
07 th May 2024	71668	81661

The above rates are IBJA PM Rates; *Rates are exclusive of GST

COMEX Futures Watch

Description	Contract	Close	Change	%Chg
Gold(\$/oz)	JUNE 24	2375.00	18.00	0.78
Silver(\$/oz)	JULY 24	28.51	0.76	2.77

ETF Holdings as on Previous Close

ETFs	In Tonnes	Net Change
SPDR Gold	830.47	0.00
iShares Silver	13,132.75	-56.85

Gold and Silver Fix

Description	LTP
Gold London AM Fix(\$/oz)	2371.05
Gold London PM Fix(\$/oz)	2372.45
Silver London Fix(\$/oz)	28.64

Bullion Futures DGCX

Description	Contract	LTP
Gold(\$/oz)	JUNE 24	2370.2
Gold Quanto	JUNE 24	72747
Silver(\$/oz)	MAY 24	28.44

Gold Ratio

Description	LTP
Gold Silver Ratio	83.32
Gold Crude Ratio	30.35

Weekly CFTC Positions

	Long	Short	Net
Gold(\$/oz)	189194	26062	163132
Silver	55228	20314	34914

MCX Indices

Index	Close	Net Change	% Chg
MCX iCOMDEX Bullion	18231.97	228.07	1.25 %

Macro-Economic Indicators

Time	Country	Event	Forecast	Previous	Impact
13 th May 06:30 PM	United States	FOMC Member Jefferson Speaks	-	-	Low
13 th May 06:30 PM	United States	FOMC Member Mester Speaks	-	-	Low

Nirmal Bang Securities - Daily Bullion News and Summary

❖ Gold pared gains after latest US data pointed to an economy that is slowing amid stubborn inflationary pressures, posing a challenge to the outlook of Federal Reserve interest-rate cuts. A report Friday showed US consumer sentiment declined to a six-month low. This, along with Thursday's jobless claims data, pointed to a slowdown in key parts of the economy, prompting traders to boost bets on policy easing. Yet a slew of policymakers continue to signal the need for higher-for-longer rates before they bring inflation back to the central bank's 2% target. Federal Reserve Governor Michelle Bowman said she doesn't expect it will be appropriate for the Fed to cut rates in 2024, pointing to persistent inflation in the first several months of the year. Bowman made the comments in a Bloomberg News interview following a speech to bankers in Texas, where she urged the central bank to proceed "carefully and deliberately" as policymakers move toward the Fed's inflation goal. Bullion typically benefits from a low-rate environment as it pays no interest. While a delay in the Fed's pivot to lowering borrowing costs could weigh on bullion, bids in the precious metal to hedge against sticky inflation also provide strong support to prices. Gold has climbed almost 15% this year in a record-breaking rally underpinned by central bank buying and heightened geopolitical risks in the Middle East, which boosted the metal's attraction as a haven asset. Bullion also has been supported by increased demand from investors in China, where appetite has been sharpened by an underperforming economy and lackluster markets.

❖ Federal Reserve Governor Michelle Bowman said she doesn't expect it will be appropriate for the Fed to cut interest rates in 2024, pointing to persistent inflation in the first several months of the year. Bowman made the comments in a Bloomberg News interview following a speech to bankers in Texas, where she urged the central bank to proceed "carefully and deliberately" as policymakers move toward the Fed's 2% inflation goal. "I, at this point, have not written in any cuts" for 2024, Bowman said in the interview, referring to the economic projections officials submit each quarter. "I've sort of had an even expectation of staying where we are for longer. And that continues to be my base case." A series of policymakers this week have echoed calls for higher-for-longer rates. Dallas Fed President Lorie Logan, speaking in New Orleans Friday, said "it's just too early to think about cutting rates," given disappointing inflation data so far this year. "I need to see some of these uncertainties resolved about the path that we're on and we need to remain very flexible to policy and continue to look at the data that's coming in and watch how financial conditions are evolving," Logan said at the Louisiana Bankers Association Annual Conference. US central bankers left their benchmark rate unchanged last week at a more than two-decade high, where it's been since July of last year. Following the decision, Fed Chair Jerome Powell said recent inflation data hasn't given the committee more confidence that price increases are slowing to 2%. He did not share when he thought the central bank would reduce rates. Bowman said following three or four months of inflation disappointments, it would take an extended period of time before she would be confident inflation is returning to the 2% target, a precondition for cuts. "So my expectation would be a number of months of progress," she said. "And a number of probably meetings as well before I might be comfortable with that."

❖ Federal Reserve Bank of Dallas President Lorie Logan said it's still too early to think about lowering borrowing costs given disappointing inflation data in the first few months of the year. Logan, speaking in a question-and-answer session at the Louisiana Bankers Association Annual Conference, also said it's uncertain how restrictive policy is currently, and that the economy's resilience was surprising given the high rates. "It's just too early to think about cutting rates," Logan said Friday at the event in New Orleans. "I need to see some of these uncertainties resolved about the path that we're on and we need to remain very flexible to policy and continue to look at the data that's coming in and watch how financial conditions are evolving." Fed officials have kept interest rates unchanged in a range of 5.25% to 5.5% since their July meeting. Higher-than-forecast inflation data earlier this year has pushed back expectations for the first rate cut. Chair Jerome Powell, speaking after the central bank's April 30-May 1 meeting, said policymakers would likely keep rates high for some time, adding he wasn't sure how long it would take for him and his colleagues to gain the confidence to lower rates. Logan said the economy's strength in the face of higher rates could be explained by the unwinding of pandemic-era supply-chain issues or a normalizing in the labor market following very tight conditions in the Covid recovery.

❖ The commercial division of Chinese private smelter Henan Jinli Gold and Lead Group Co. is looking to expand its commodities trading team in Singapore, as the industry turns increasingly bullish on copper, aluminum and other metals. The division, which handled about half of China's silver exports last year, is aiming to hire more physical and derivative traders for industrial and precious metals, said Eric Hu, general manager of the trading arm, in an interview in Singapore on Friday. The company hopes to grow its trading team in Singapore from the current four to 15 to 20, said Hu, a two-decade silver market veteran who currently leads a group of more than 100 metals traders and other staff across Shanghai, Hong Kong and Singapore. "I know it is not easy and will take a long time as competition for talent is getting intensive," he said. Metals markets are being transformed by increasing demand from renewable energy installations, artificial intelligence and supply shortfalls. That's encouraging some of the world's biggest energy traders to get more involved in metals, a sector that's been dominated by behemoths Glencore Plc and Trafigura Group. Jin Li Industrial International Pte., the Chinese company's Singapore subsidiary that officially started operations last October, has hired Noel Ruan from Mercuria Energy Group and Bruce Wang from Citigroup Inc. in the past six months, Hu said. Both confirmed their own moves. The company's Hong Kong trading subsidiary sold about 2,000 tons of silver ingots from different smelters in China to overseas clients in 2023, including top bullion banks such as JPMorgan Chase & Co., Hu said. China exported 4,113 tons of silver last year, official customs data shows.

Fundamental Outlook: Gold and silver prices are trading slightly lower today on the international bourses. We expect gold and silver prices to trade range-bound to slightly higher for the day, as gold prices steadied near a three-week high, as traders weighed a potential slowdown in the US economy against persistent inflationary pressures — a combination that could boost the metal's appeal as a stagflation hedge.

Key Market Levels for the Day

Time	Month	S3	S2	S1	R1	R2	R3
Gold – COMEX	June	2300	2320	2350	2370	2400	2425
Silver – COMEX	May	27.80	28.00	28.30	28.50	28.70	29.00
Gold – MCX	June	72000	72300	72600	72800	73000	73250
Silver – MCX	May	82800	83500	84200	84800	85500	86200

Nirmal Bang Securities - Daily Currency Market Update

Dollar Index

LTP/Close	Change	% Change
105.30	-0.32	-0.30

Bond Yield

10 YR Bonds	LTP	Change
United States	4.4963	0.0432
Europe	2.5160	0.0220
Japan	0.9120	-0.0060
India	7.1280	-0.0050

Emerging Market Currency

Currency	LTP	Change
Brazil Real	5.1581	0.0165
South Korea Won	1368.05	-1.9500
Russia Rubble	92.6938	0.1325
Chinese Yuan	7.2269	0.007
Vietnam Dong	25452	9
Mexican Peso	16.7787	-0.006

NSE Currency Market Watch

Currency	LTP	Change
NDF	83.63	0.07
USDINR	83.5525	-0.005
JPYINR	53.745	-0.035
GBPINR	104.52	0.275
EURINR	89.955	0.3375
USDJPY	155.29	-0.13
GBPUSD	1.2552	0.0064
EURUSD	1.0785	0.006

Market Summary and News

❖ Indian bonds capped a third weekly gain with JPMorgan Chase & Co saying its on track to add the nation's bonds to its emerging markets index. The nation's forex reserves rose after three weeks of declines. 10-year yields down 1bps to 7.13%; down 2bps this week. USD/INR little changed at 83.4987; up 0.1% this week. Bonds are trading in tight range looking for fresh cues, says Gopal Tripathi, president and head of capital markets at Jana Small Finance Bank. 7.10% yield worked as support and if broken may pave the way for 7%. India sells 200 billion rupees (\$2.4 billion) of debt as planned: RBI statement. India bought back 105.1 billion rupees (\$1.3 billion) of bonds on Thursday, lower than the 400 billion rupee plan. The country bought back the bonds to save on interest cost, a finance ministry official told reporters in New Delhi, declining to be identified citing rules.

❖ Developing-nation currencies eked out a third week of gains, shaking off the strength of the US dollar, higher inflation expectations and Fed speaks that expressed caution over cutting interest rates. The MSCI Index for EM currencies inched 0.1% higher, paring an earlier advance; currencies in Thailand, South Africa and Colombia were some of the best performers. Peru led declines; the country's central bank cut rates to a two-year low after inflation returned to its target range for the first time since 2021. A companion index for stocks climbed 0.8% on the back of a rally in Chinese equities. Taiwan Semiconductor Manufacturing Company, China Construction Bank and Alibaba were the biggest contributors to the gains. Emerging stocks are up some 1% this week, and within reach of a key technical threshold they must cross to undo the damage from global rate hikes. While higher-than-expected US initial jobless claims has encouraged bets on policy easing, a chorus of Fed officials continue to tout higher-for-longer rates as they try to bring inflation back down to their 2% target. Fed Governor Michelle Bowman said in a Bloomberg News interview that she doesn't expect it will be appropriate to cut rates in 2024, pointing to persistent inflation in the first several months of the year. Chicago Fed President Austan Goolsbee said he doesn't think inflation is stuck above the central bank's target despite recent data showing price pressures picked up at the start of the year. US consumers expect prices will climb at an annual rate of 3.5% over the next year, the highest in six months and up from the 3.2% expected in April, according to data from the University of Michigan.

❖ The dollar is set to register its first weekly gain in three weeks as Fed officials highlighted a careful path to rate cuts after survey data showed inflation expectations unexpectedly rose in April, lifting Treasury yields. The report comes ahead of key US CPI data next week. The Bloomberg Dollar Spot Index was up 0.1% with the greenback trading mixed against its G-10 peers; it's poised to gain 0.2% for the week Treasury 10-year yields rise five basis points to 4.50%, with the Treasury 2-year yield firming five basis points to 4.87%. Federal Reserve Bank of Dallas President Lorie Logan said it's still too early to think about lowering borrowing costs given disappointing inflation data while Federal Reserve Governor Michelle Bowman said the central bank should proceed "carefully and deliberately." Bowman said in an interview with Bloomberg News that she doesn't expect it will be appropriate for the Fed to cut interest rates in 2024, pointing to persistent inflation in the first several months of the year. US April budget surplus was \$209.5b versus an estimate of \$250b. Implied currency volatilities are broadly lower; CNH one-week risk reversals are set to close near a record ahead of a China CPI report. "The key to taking the dollar materially lower remains inflation," strategists at ING Bank NV wrote in a note; the consensus forecast for 0.3% month-on-month core CPI on Wednesday would still be too high for the Fed to start cutting rates in summer, they add. "The medium-term view is still bullish USD on high yields, growth cushion and other supports ... but tactical concerns stem from nascent signs of fading US growth exceptionalism and saturated investor longs," according to currency analysts at JPMorgan. USD/CAD was down 0.1% to 1.3669, paring an earlier drop of 0.3% after a report of strong Canada job gains in April; For the week, the greenback is down 0.1% against the loonie. GBP/USD firms less than 0.1% to 1.2529, pulling back from day's high and its 1.2543 200-DMA after strong UK GDP data; pair is down 0.1% on the week. Bank of England Chief Economist Huw Pill warned about the risk of being "seduced" by some measures of inflation that show a slowdown before more persistent pressures on prices are in check. EUR/USD slips 0.1% to 1.0773, paring a modest weekly gain. Some European Central Bank officials deemed it appropriate to cut interest rates when they convened last month, an account of their monetary-policy meeting showed. USD/JPY rose 0.2% to 155.81, putting it on track for a weekly gain of 1.8%. AUD/USD fell 0.2% to 0.6607 after a report that US President Joe Biden's administration is set to impose new, targeted tariffs on key sectors including electric vehicles; pair is little changed for the week. NZD/USD dropped 0.2% to 0.6022 Friday and is up 0.2% for the week.

Key Market Levels for the Day

	S3	S2	S1	R1	R2	R3
USDINR Spot	83.3025	83.3575	83.4455	83.5375	83.5950	83.6275

Nirmal Bang Securities - Bullion Technical Market Update

Gold Market Update



Market View	
Open	71730
High	72888
Low	71730
Close	72727
Value Change	1088
% Change	1.52
Spread Near-Next	105
Volume (Lots)	8552
Open Interest	14331
Change in OI (%)	-2.82%

Gold - Outlook for the Day

BUY GOLD JUNE (MCX) AT 72300 SL 72050 TARGET 72600/72850

Silver Market Update



Market View	
Open	84761
High	85812
Low	84382
Close	84910
Value Change	411
% Change	0.49
Spread Near-Next	0
Volume (Lots)	15387
Open Interest	27616
Change in OI (%)	-0.55%

Silver - Outlook for the Day

BUY SILVER JULY (MCX) AT 84200 SL 83500 TARGET 85000/85700

Nirmal Bang Securities - Currency Technical Market Update

USDINR Market Update



Market View	
Open	83.54
High	83.5575
Low	83.51
Close	83.5525
Value Change	-0.005
% Change	-0.006
Spread Near-Next	0
Volume (Lots)	155136
Open Interest	3193622
Change in OI (%)	-1.08%

USDINR - Outlook for the Day

The USDINR future witnessed a flat opening at 83.51, which was followed by a session that showed consolidation with positive buyer with candle closures near open. A small doji candle formed by the USDINR price facing resistance of 10-days moving average placed at 83.43. On the daily chart, the momentum indicator RSI trailing between 52-57 level while MACD has made a negative crossover above the zero-line. We are anticipating that the price of USDINR futures will fluctuate today between 83.42 and 83.60.

Key Market Levels for the Day

	S3	S2	S1	R1	R2	R3
USDINR May	83.4025	83.4575	83.5075	83.6025	83.6525	83.7075

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