

## Daily Bullion Physical Market Report

Date: 08<sup>th</sup> May 2024

### Daily India Spot Market Rates

Description	Purity	AM	PM
Gold	999	71775	71668
Gold	995	71488	71381
Gold	916	65746	65648
Gold	750	53831	53751
Gold	585	41988	41926
Silver	999	81500	81661

Rate as exclusive of GST as of 07<sup>th</sup> May 2024 Gold is Rs/10 Gm & Silver in Rs/Kg

### Gold and Silver 999 Watch

Date	GOLD*	SILVER*
07 <sup>th</sup> May 2024	71668	81661
06 <sup>th</sup> May 2024	71816	81292
03 <sup>rd</sup> May 2024	71191	79989
02 <sup>nd</sup> May 2024	717327	79719

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

### COMEX Futures Watch

Description	Contract	Close	Change	%Chg
Gold(\$/oz)	JUNE 24	2324.20	-7.00	-0.30
Silver(\$/oz)	JULY 24	27.54	-0.07	-0.25

### ETF Holdings as on Previous Close

ETFs	In Tonnes	Net Change
SPDR Gold	832.19	1.72
iShares Silver	13,189.61	0.00

### Gold and Silver Fix

Description	LTP
Gold London AM Fix(\$/oz)	2315.00
Gold London PM Fix(\$/oz)	2319.60
Silver London Fix(\$/oz)	27.26

### Bullion Futures DGCX

Description	Contract	LTP
Gold(\$/oz)	JUNE 24	2321.5
Gold Quanto	JUNE 24	71168
Silver(\$/oz)	MAY 24	27.51

### Gold Ratio

Description	LTP
Gold Silver Ratio	84.38
Gold Crude Ratio	29.65

### Weekly CFTC Positions

	Long	Short	Net
Gold(\$/oz)	192173	25034	167139
Silver	55603	21843	33760

### MCX Indices

Index	Close	Net Change	% Chg
MCX iCOMDEX Bullion	18089.71	-48.41	-0.27 %

### Macro-Economic Indicators

Time	Country	Event	Forecast	Previous	Impact
08 <sup>th</sup> May 07:30 PM	United States	Final Wholesale Inventories m/m	-0.4%	-0.4%	Low
08 <sup>th</sup> May 08:30 PM	United States	FOMC Member Jefferson Speaks	-	-	Low
08 <sup>th</sup> May 11:00 PM	United States	FOMC Member Cook Speaks	-	-	Low

## Nirmal Bang Securities - Daily Bullion News and Summary

❖ Gold edged lower, after gaining on signals the Federal Reserve will cut interest rates this year. Bullion closed 1% higher on Monday as investors weighed dovish remarks from US policymakers. Fed Bank of Richmond President Thomas Barkin said he expects high rates to slow the economy further and cool inflation toward a 2% target, while his New York counterpart John Williams said there would be rate cuts but the decision on when will depend on the totality of the data. Swap traders are now cautiously increasing their bets for policy easing this year. Lower rates typically benefit gold, which doesn't pay interest. Gold has advanced about 12% this year and hit a succession of all-time highs in April, despite stubborn inflation prints driving uncertainty over when the US central bank will reduce rates. While prices eased in the last couple of weeks, geopolitical tensions in the Middle East have supported haven demand. In the Middle East, Israel rejected a cease-fire proposal backed by Hamas to end the fighting in Gaza and its troops took control of the Rafah border-crossing area in Gaza on Tuesday morning.

❖ China's central bank topped up its gold reserves for an 18th straight month in April, although the pace of buying slowed in the face of record prices. The People's Bank of China has long been one of the market's largest buyers, steadily growing its bullion holdings since 2022. However, the precious metal's record-breaking rally since mid-February — with successive all-time-highs reached last month — seems to have dented demand. In April, the PBOC bought 60,000 troy ounces, according to official data released Tuesday. That's down from 160,000 ounces in March and 390,000 ounces in February. First-quarter purchases by the world's central banks, led by China, were the strongest on record, according to the World Gold Council. Some market watchers have suggested that gold's 12% rally this year has been partly driven by mystery buyers among those institutions. Central banks tend to be longer-term strategic buyers, and bullion-buying by institutions in emerging markets has much further to run, according to Goldman Sachs Group Inc. "Emerging market central banks drive the gold rush," Goldman researchers wrote in a note. Bullion holdings are still only 6% of reserves at emerging central banks, half the levels in developed markets. Gold has also been supported by increased demand from Asian investors, especially in China, where appetite has been sharpened by an underperforming economy and lackluster markets. Heightened geopolitical risk amid conflicts in Ukraine and the Middle East has also bolstered haven buying.

❖ Zimbabwe plans new rules to compel businesses to only use the official exchange rate of its gold-backed currency, the ZiG, when pricing goods and services. The move, announced Tuesday by Finance Minister Mthuli Ncube, is aimed at preventing the development of an unofficial market in the ZiG, which flourished during previous versions of the local Zimbabwean currency and contributed to their failure. The ZiG, which stands for Zimbabwe Gold, was introduced last month and is the southern African nation's sixth attempt to establish a stable local unit since 2008. Earlier efforts were scuppered by skyrocketing inflation and collapsing values against the dollar on the unofficial market. Ncube said in a statement that the central bank's reserves were more than sufficient to meet demands for liquidity and there was no basis "to use any other exchange rate in the pricing of their goods and services than the interbank exchange rate set by the Reserve Bank of Zimbabwe." The ZiG is backed by 2.5 tons of gold and about \$100 million in foreign currency reserves held by the central bank. The ZiG that started trading April 8 at a level of 13.56 to the dollar stood at 13.66 per dollar on Tuesday, according to data posted on the central bank's website. Public lack of confidence in Zimbabwe's previous local currencies has led to 80% of all commerce being conducted in US dollars.

❖ Plunging prices for solar panels, which have slashed profits across the sector, don't have much room to fall further, according to the chairmen of two of the industry's biggest firms. The current slump is "irrational" and there's only a small probability it will continue, Jinko Solar Co. Chairman Li Xiande said in a joint presentation hosted by the Shanghai Stock Exchange. Li answered written questions from investors at the event on Tuesday along with executives from other firms, including Trina Solar Co. and CSI Solar Co. The companies are trying to turn a corner after solar manufacturers saw profits vanish as a wave of new factories that were aimed at capturing a growing market came online in the past year. Instead, the new supply has overwhelmed demand, sending panel prices to record lows and annihilating margins. "The price of photovoltaic modules is currently at a low level, and there's limited room for further decline," Trina Chairman Gao Jifan said at the presentation. Solar module prices are at about half the level they were in March 2023, Bloomberg NEF data show. China, by far the world's largest market, is facing grid constraints that may slow new additions. Installations in March were 32% lower than the previous year, according to the National Energy Administration. Jinko still expects global demand for panels to rise 20% this year, which will help rebalance the market. The company has already increased its production schedule in the second quarter compared to the first, and is operating its most advanced production lines at high rates, Li said.

❖ Gold Fields Ltd. said its gold production fell 18% in the first three months of 2024 due to weather-related events and operational challenges across its portfolio of mines. The Johannesburg-listed company produced 464,000 ounces of the precious metal in the opening quarter, down from 563,000 ounces a year earlier, it said in a statement on Tuesday. Output was "severely impacted" at its projects located in Australia, Peru and South Africa, the miner said. At South Deep — the firm's only remaining South African asset — production slipped 34% after a fatal accident in January as well as challenges refilling holes in the underground mine, according to the statement. Heavy rainfall prevented mining at the Gruyere project in Australia for over a month, while the company's Peruvian operation was affected by processing lower grade ore, it said. In late March, Gold Fields started production at Salares Norte, a \$1.2 billion open-pit mine in Chile which experienced multiple delays and is expected to produce 485,000 ounces next year. Per-ounce all-in-costs for the quarter were almost 60% higher than the same period in 2023, the company said, adding that "returning production to normalized levels at the operations affected by weather-related and operational challenges is key in the short-term to addressing the material cost increases experienced in the quarter." However, the company's output and cost guidance for the year remains unchanged.

**Fundamental Outlook:** Gold and silver prices are trading slightly higher today on the international bourses. We expect gold and silver prices to trade range-bound to slightly lower for the day, as gold prices held a decline after being pressured by a stronger US dollar, as traders weighed hawkish comments from a Federal Reserve policymaker on the prospect of monetary easing this year.

### Key Market Levels for the Day

Time	Month	S3	S2	S1	R1	R2	R3
Gold – COMEX	June	2275	2295	2320	2335	2350	2370
Silver – COMEX	May	27.00	27.35	27.50	27.70	27.85	28.05
Gold – MCX	June	70300	70600	70800	71100	71350	71550
Silver – MCX	May	80800	81500	82200	82800	83500	84200

## Nirmal Bang Securities - Daily Currency Market Update

### Dollar Index

LTP/Close	Change	% Change
105.41	0.36	0.34

### Bond Yield

10 YR Bonds	LTP	Change
United States	4.4570	-0.0304
Europe	2.4190	-0.0490
Japan	0.8730	-0.0280
India	7.1280	0.0240

### Emerging Market Currency

Currency	LTP	Change
Brazil Real	5.0717	-0.0046
South Korea Won	1359.95	-3.0500
Russia Rubble	91.5488	0.2304
Chinese Yuan	7.2186	0.0098
Vietnam Dong	25392	12
Mexican Peso	16.9016	0.0206

### NSE Currency Market Watch

Currency	LTP	Change
NDF	83.56	0.03
USDINR	83.5675	-0.0275
JPYINR	54.28	-0.055
GBPINR	104.765	-0.075
EURINR	89.9225	0.085
USDJPY	153.75	0.45
GBPUSD	1.2546	-0.0031
EURUSD	1.0776	0.0008

### Market Summary and News

❖ Indian bond traders will look forward to the 270-billion-rupee (\$3.2 billion) Treasury bill sale on Wednesday to gauge demand for the shorter-maturity notes. 10-year yields rose 2bps to 7.13% on Tuesday. USD/INR little changed at 83.5150. Implied opening from forwards suggest spot may start trading around 83.4962. The rupee is expected to appreciate to 82 per dollar by the year-end, from about 83.50 currently, said Jeremy Zook, a director at Fitch in Hong Kong. The Reserve Bank of India may continue to prevent any sharp swings in the currency by absorbing inflows, he said. Global Funds Sell Net 36.7B Rupees of India Stocks on May 7: NSE. They sold 1.19 billion rupees of sovereign bonds under limits available to foreign investors, and added 2.97 billion rupees of corporate debt. State-run banks bought 18.6 billion rupees of sovereign bonds on May 7: CCIL data. Foreign banks sold 14.7 billion rupees of bonds.

❖ An index of greenback strength rose the most in a week as Treasury yields pared losses amid a rebound in WTI oil prices and after comments by Federal Reserve Bank of Minneapolis President Neel Kashkari. The Bloomberg Dollar Spot Index rose 0.3% with greenback gaining broadly amid corporate hedging flows. Treasury 10-year yields dedined 3bps to 4.46%; two-year breakeven inflation rates rebounded after slipping to 2.6%, lowest level since the middle of January. Federal Reserve Bank of Minneapolis President Neel Kashkari says recent inflation data raise questions about whether monetary policy is restrictive enough to return price growth back down to the central bank's 2% target. AUD/USD is down 0.5% at 0.6595 after the Reserve Bank of Australia policy decision. AUD/NZD drops 0.3%, pulling back from 1.1031, its highest level since June. USD/CAD rises 0.5% to 1.3732 with about \$600m of two-week hedging contracts booked at 1.3682; EUR/CAD dimbs to highest level since March. USD/JPY rises 0.5% to 154.67 amid cross-related yen selling and as bearish risk reversals reach a fresh one-month low. The latest comments add to the view that the yen will continue to weaken, given that Japanese rates will continue to stay lower than in other countries, says George Saravelos, global head of FX research at Deutsche Bank. "The fundamental driver of yen weakness is the fact that real rates in Japan are extremely negative, they're below -2%," Saravelos said in an interview with Bloomberg TV. "And as long as that's the case, and as long as the Bank of Japan doesn't hike rates expeditiously, we think the yen will stay weak." Implied one-week volatility slips to a two-week low of 8.55%; technical support around 151.93 55-day moving average and the November high of 151.91; resistance is seen near the 155 psychological levels. EUR/USD slipped 0.2% to 1.0753, resting just below its 200-DMA of 1.0796. European Central Bank Governing Council member Joachim Nagel said forces including geopolitics and de-carbonization could keep consumer-price growth elevated in the years ahead. Option expires this week include EUR1.1b of 1.1825 strikes rolling off Thursday and EUR2.0b of 1.0750 expiring Friday. About EUR9b of two-week NDF hedges are booked at 1.0764. EUR/SEK is 10.5%, a near one-month high, amid gamma demand ahead of Riksbank policy decision Wednesday. GBP/USD fell 0.4% to 1.2507 amid EUR/GBP demand and option hedging in run up to Bank of England meeting Thursday; bearish stochastics and seasonal weigh on the pound.

### Key Market Levels for the Day

	S3	S2	S1	R1	R2	R3
USDINR Spot	83.2050	83.3025	83.4075	83.5025	83.6025	83.7050

## Nirmal Bang Securities - Bullion Technical Market Update

### Gold Market Update



Market View	
Open	70849
High	71520
Low	70849
Close	71369
Value Change	701
% Change	0.99
Spread Near-Next	123
Volume (Lots)	7077
Open Interest	17222
Change in OI (%)	0.52%

### Gold - Outlook for the Day

**SELL GOLD JUNE (MCX) AT 71100 SL 71350 TARGET 70800/70600**

### Silver Market Update



Market View	
Open	81750
High	83000
Low	81603
Close	82955
Value Change	1912
% Change	2.36
Spread Near-Next	0
Volume (Lots)	16175
Open Interest	25194
Change in OI (%)	4.67%

### Silver - Outlook for the Day

**SELL SILVER JULY (MCX) AT 82800 SL 83500 TARGET 82000/81500**

**Nirmal Bang Securities - Currency Technical Market Update**

**USDINR Market Update**



Market View	
Open	83.53
High	83.6225
Low	83.48
Close	83.595
Value Change	0.0775
% Change	0.0928
Spread Near-Next	0
Volume (Lots)	458369
Open Interest	2691596
Change in OI (%)	0.61%

**USDINR - Outlook for the Day**

The USDINR future witnessed a flat opening at 83.59, which was followed by a session where price shows consolidation with negative buyer level with candle closures near high. A small inside bar candle formed by the USDINR price where price having support 10-days moving averages placed at 83.46. On the daily chart, the MACD showed a positive crossover above the zero-line, while the momentum indicator, RSI trailing between 55-60 levels showed positive indication. We are anticipating that the price of USDINR futures will fluctuate today between 83.48 and 83.70.

**Key Market Levels for the Day**

	S3	S2	S1	R1	R2	R3
USDINR May	83.4025	83.4550	83.5275	83.6225	83.6850	83.7575

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