

Daily Bullion Physical Market Report

Date: 09th May 2024

Daily India Spot Market Rates

Description	Purity	AM	PM
Gold	999	71725	71645
Gold	995	71438	71358
Gold	916	65700	65627
Gold	750	53794	53734
Gold	585	41959	41912
Silver	999	81663	81542

Rate as exclusive of GST as of 08th May 2024 Gold is Rs/10 Gm & Silver in Rs/Kg

Gold and Silver 999 Watch

Date	GOLD*	SILVER*
08 th May 2024	71645	81542
07 th May 2024	71668	81661
06 th May 2024	71816	81292
03 rd May 2024	71191	79989

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

COMEX Futures Watch

Description	Contract	Close	Change	%Chg
Gold(\$/oz)	JUNE 24	2322.30	-1.90	-0.08
Silver(\$/oz)	JULY 24	27.60	0.06	0.21

ETF Holdings as on Previous Close

ETFs	In Tonnes	Net Change
SPDR Gold	830.47	-1.72
iShares Silver	13,189.61	0.00

Gold and Silver Fix

Description	LTP
Gold London AM Fix(\$/oz)	2308.55
Gold London PM Fix(\$/oz)	2309.05
Silver London Fix(\$/oz)	27.24

Bullion Futures DGCX

Description	Contract	LTP
Gold(\$/oz)	JUNE 24	2316.8
Gold Quanto	JUNE 24	71147
Silver(\$/oz)	MAY 24	27.55

Gold Ratio

Description	LTP
Gold Silver Ratio	84.14
Gold Crude Ratio	29.40

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	18044.49	-4.32	-0.02 %

Macro-Economic Indicators

Time	Country	Event	Forecast	Previous	Impact
09 th May 04:30 PM	Europe	BOE Monetary Policy Report	-	-	High
09 th May 04:30 PM	Europe	Monetary Policy Summary	-	-	High
09 th May 04:30 PM	Europe	MPC Official Bank Rate Votes	0-0-9	0-1-8	High
09 th May 04:30 PM	Europe	Official Bank Rate	5.25 %	5.25 %	High
09 th May 05:00 PM	Europe	BOE Gov. Bailey Speaks	-	-	High
09 th May 06:00 PM	United States	Unemployment Claims	212 K	208 K	High
09 th May 11:30 PM	United States	FOMC Member Daly Speaks	-	-	Low

Nirmal Bang Securities - Daily Bullion News and Summary

❖ Gold fluctuated as traders weighed hawkish remarks from a Federal Reserve policymaker on the prospect of monetary easing this year. Bullion slid and the dollar strengthened on Tuesday after Fed Reserve Bank of Minneapolis President Neel Kashkari said the central bank would likely keep rates where they were “for an extended period” and declined to rule out future hikes. Both higher rates and a stronger greenback typically weigh on gold, as the metal is priced in the US currency and doesn’t pay interest. Traders are also monitoring fresh tensions in the Middle East after Israeli forces edged into the Gazan city of Rafah, with a truce between the Jewish state and Hamas still remaining elusive. Further escalation could bolster gold’s appeal as a haven asset. Elsewhere, China’s central bank topped up its gold reserves for an 18th straight month in April, though the slower pace of buying may remove a key pillar of support for the metal. Strong demands from central banks and Chinese consumers have been among the drivers of gold’s 12% advance this year.

❖ Exchange-traded funds added 39,016 troy ounces of gold to their holdings in the last trading session, bringing this year's net sales to 4.89 million ounces, according to data compiled by Bloomberg. The purchases were equivalent to \$90.3 million at yesterday's spot price. Total gold held by ETFs fell 5.7 percent this year to 80.7 million ounces. Gold advanced 12 percent this year to \$2,314.10 an ounce and fell by 0.4 percent in the latest session. State Street's SPDR Gold Shares, the biggest precious-metals ETF, pared its holdings by 55,520 ounces in the last session. The fund's total of 26.7 million ounces has a market value of \$61.8 billion. ETFs cut 254 troy ounces of silver from their holdings in the last trading session, bringing this year's net sales to 7.5 million ounces. This was the fifth straight day of declines.

❖ Gold’s stunning rally this year has put stocks and bonds in the shade. But its standout gains carry more signs of a hedge against volatility in other assets, rather than an enduring safe-haven bet. The 12% surge in gold this year handily outpaced the Bloomberg dollar index’s 3.6% rise, and meanwhile every other G-10 currency has dropped. The precious metal also climbed more than three times as much as the greenback since the Federal Reserve started hiking interest rates in 2022. Gold’s history as a store of value has also enhanced those gains as its perceived role as an alternative form of money comes to the fore. Central banks substantially boosted their purchases during the Fed tightening cycle, a move likely partly driven by the US and its Western allies’ decision to seize some of Russia’s foreign reserves after its invasion of Ukraine. Such purchases have certainly turbocharged gold’s advance in the past but more was at play. The precious metal took off around the time the euro was introduced (gold bottomed out in August 1999), before powering higher into the 2008-2009 global financial crisis, the ensuing European sovereign debt meltdown and the widespread adoption of quantitative easing. Its share of global foreign reserves also rebounded from the troughs reached around the end of 2008. The post-2000 period has also seen a transformation in the way gold and equities trade around US presidential votes — an event that has become increasingly important for global investors as geopolitical risks and trade frictions grew.

❖ Federal Reserve Bank of Boston President Susan Collins signaled interest rates will likely need to be held at a two-decade high for longer than previously thought to damp demand and reduce price pressures. Collins, who noted the lack of disinflationary progress made in 2024, said slower economic growth will be necessary to make sure inflation remains on a sustainable path to the Fed’s 2% goal. She didn’t offer an estimate on when rate cuts may happen. “The recent upward surprises to activity and inflation suggest the likely need to keep policy at its current level until we have greater confidence that inflation is moving sustainably toward 2%,” Collins said Wednesday at the Massachusetts Institute of Technology. “The recent data lead me to believe this will take more time than previously thought,” she said. Collins’ comments echoed those of Fed Chair Jerome Powell, who said last week the central bank had more work to do to gain the necessary confidence on inflation returning to the 2% target in order to cut interest rates. US central bankers left their benchmark rate unchanged last week at the highest level since 2001, where it’s been since July. Powell did not share when he thought the central bank would reduce rates. The Boston Fed chief said it wasn’t surprising to see bumps in the disinflation process, such as the lack of progress in the first quarter. The Fed’s preferred inflation index rose 2.7% in March from a year earlier, a pickup from the 2.5% pace seen in February. “The current situation requires methodical perseverance, recognizing that progress will take time and continue to be uneven,” she said. In a moderated conversation following her remarks, Collins added, “I do think that holding in this restrictive range for longer will — in an orderly way in my baseline — would slow the economy.”

Fundamental Outlook: Gold and silver prices are trading range-bound today on the international bourses. We expect gold and silver prices to trade range-bound to slightly higher for the day, as investors sought fresh clues on the path for US inflation and the outlook for Federal Reserve interest rate policy.

Key Market Levels for the Day

Time	Month	S3	S2	S1	R1	R2	R3
Gold – COMEX	June	2265	2290	2310	2330	2350	2375
Silver – COMEX	May	27.00	27.35	27.50	27.70	27.85	28.05
Gold – MCX	June	70600	70900	71100	71250	71500	71700
Silver – MCX	May	81800	82400	82850	83500	84100	84700

Nirmal Bang Securities - Daily Currency Market Update

Dollar Index

LTP/Close	Change	% Change
105.55	0.13	0.13

Bond Yield

10 YR Bonds	LTP	Change
United States	4.4937	0.0368
Europe	2.4620	0.0430
Japan	0.8820	0.0090
India	7.1340	0.0060

Emerging Market Currency

Currency	LTP	Change
Brazil Real	5.0909	0.0192
South Korea Won	1362.75	2.8000
Russia Rubble	91.625	0.0762
Chinese Yuan	7.2246	0.006
Vietnam Dong	25433	41
Mexican Peso	16.9001	-0.0015

NSE Currency Market Watch

Currency	LTP	Change
NDF	83.56	0
USDINR	83.57	0.0025
JPYINR	54.1275	-0.1525
GBPINR	104.4275	-0.3375
EURINR	89.7925	-0.13
USDJPY	155	1.25
GBPUSD	1.2524	-0.0022
EURUSD	1.0748	-0.0028

Market Summary and News

❖ Short-term borrowing costs for the government surged to the highest in more than a month amid tight banking system liquidity. The government plans to buy back 400 billion rupees (\$4.8 billion) of bonds on Thursday to ease the tight cash situation. India sold 270 billion rupees of treasury bills on Wednesday: RBI 182-day t-bill sold at 7.0802%, the highest since March 27, vs. 7.04% in Bloomberg survey. 364-day t-bill sold at 7.0890%, the highest since March 13, vs. 7.07% est. The deficit in India's banking liquidity rose to 1.3 trillion rupees on Tuesday, according to latest data compiled by Bloomberg. That compares with a surplus of about 1.5 trillion rupees in early April. "Yields on t-bills came in slightly higher potentially due to a deficit in banking liquidity," says Aditya Gore, head of international coverage for fixed income at Nuvama Wealth Management. "Auction expectations were, to an extent, pricing in the upcoming INR400b bond buyback, but it didn't turn out that way." "The upcoming bond buy back might help ease the deficit in banking liquidity to an extent." "Nonetheless, the RBI has ample direct and indirect tools at its disposal to manage liquidity as need be." 10-year yields rise 1bps to 7.13%. The Reserve Bank of India infused INR250b of liquidity through an overnight variable rate repo sale on Wednesday. USD/INR little changed at 83.5175.

❖ An index of dollar strength rises for a third day, tracking higher nominal and real Treasury yields. The yen lags behind peers as traders downplay intervention risks following earlier comments by Bank of Japan Governor Kazuo Ueda. Focus turns to a Bank of England policy meeting Thursday. Bloomberg Dollar Spot Index climbs 0.2%, extending its three-day gain to 0.4%. Treasury yields edged higher with 10-year rising four basis points to 4.50% after an auction tails. Federal Reserve Bank of Boston President Susan Collins signaled interest rates will likely need to be held at a two-decade high for longer than previously thought to damp demand and reduce price pressures. Atlanta Fed GDP Now Index rose to 4.18% from 3.31%. Oil prices rebound as EIA data shows a drop in weekly inventory and Middle East tensions persist. Implied FX volatilities were mostly higher with one-week yen, which includes US CPI, near 10%. USD/JPY rose 0.6% to as high as 155.68 amid speculative and option-related yen sales. USD/JPY call/put ratio climbs to 2-to-1 according to DTCC data, amid two-week topside demand ahead of a Japan wage report for March. Bank of Japan Governor Kazuo Ueda said Wednesday that a monetary policy response could be needed depending on the impact of foreign exchange rates. "Talk is cheap. I think the limits of jawboning (both on intervention and rate hikes) have been reached. If the BOJ really wants to put a floor under the yen, I think it would have to actually deliver rate hikes soon accompanied by FX intervention," says Win Thin at Brown Brothers. EUR/USD is down 0.1% at 1.0744 with losses curbed by rising European yields. European Central Bank Governing Council member Pierre Wunsch still sees dangers for consumer prices – including a weaker euro should monetary policy diverge too much from the US. EUR/SEK rises as much as 0.6% after Sweden's central bank cut interest rates by 25bps to 3.75% in its first easing since 2016. "This is carte blanche for selling SEK as it was a couple of years ago, when the market saw the Riksbank as relatively dovish," said Stefan Mellin, FX strategist at Danske Bank in Stockholm. GBP/USD falls 0.1% to 1.2495, down a second day. EUR/GBP overnight volatility surges to highest level since Feb. 2 and 1-week option skews climb amid heightened expectations the Bank of England may signal at its meeting on Thursday that it could start cutting rates as early as June. AUD/USD is down 0.3% to 0.6577; option strikes at 0.6540/50 worth a total of AUD \$1.93b expires May 9. USD/CAD pares most of a 0.3% gain, trades at 1.3734 amid rising government yields.

❖ Emerging-market currencies and stocks took a leg down on Wednesday, while the dollar climbed on expectations that the Fed won't cut rates any time soon. Boston Fed President Susan Collins said that rates will likely need to be held at a two-decade high for longer than previously thought. The MSCI gauge for stocks retreated 0.2%, declining from a near two-year high the day before; a companion index for currencies slid 0.1%. The Bloomberg Spot Dollar Index climbed 0.2%, tracking higher nominal and real Treasury yields. In Latin America, Brazil's real and Colombia's peso led currencies lower. South Africa's rand was among the worst-performing developing currencies, dropping by the most intraday since April 30. Chile's peso slipped, reversing its gains against the greenback; consumer prices rose more than forecast last month underscoring the central bank's caution over further interest rate cuts. In Brazil, traders are focused on the central bank, which is expected to cut interest rates Wednesday.

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	71163
High	71315
Low	70901
Close	71127
Value Change	-21
% Change	-0.03
Spread Near-Next	132
Volume (Lots)	6422
Open Interest	15789
Change in OI (%)	-3.83%

Gold - Outlook for the Day

SELL GOLD JUNE (MCX) AT 71250 SL 71550 TARGET 70900/70700

Silver Market Update



Market View	
Open	82878
High	83166
Low	82300
Close	82994
Value Change	116
% Change	0.14
Spread Near-Next	0
Volume (Lots)	11711
Open Interest	25466
Change in OI (%)	1.90%

Silver - Outlook for the Day

BUY SILVER JULY (MCX) AT 82400 SL 81800 TARGET 83200/83500

Nirmal Bang Securities - Currency Technical Market Update

USDINR Market Update



Market View	
Open	83.575
High	83.58
Low	83.52
Close	83.57
Value Change	0.0025
% Change	0.003
Spread Near-Next	0
Volume (Lots)	711148
Open Interest	3175557
Change in OI (%)	6.12%

USDINR - Outlook for the Day

The USDINR future witnessed a flat opening at 83.57, which was followed by a session where price shows consolidation with positive buyer level with candle closures near high. A small doji candle formed by the USDINR price where price having support 10-days moving averages placed at 83.49. 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 83.65.

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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