

Daily Bullion Physical Market Report

Date: 14th March 2024

Daily India Spot Market Rates

Description	Purity	AM	PM
Gold	999	65334	65335
Gold	995	65072	65073
Gold	916	59846	59847
Gold	750	49001	49001
Gold	585	38220	38221
Silver	999	72149	72469

Rate as exclusive of GST as of 13th March 2024 Gold is Rs/10 Gm & Silver in Rs/Kg

Gold and Silver 999 Watch

Date	GOLD*	SILVER*
13 th March 2024	65335	72469
12 th March 2024	65566	72675
11 th March 2024	65646	72547
07 th March 2024	64955	72265

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

COMEX Futures Watch

Description	Contract	Close	Change	%Chg
Gold(\$/oz)	APR 24	2180.80	14.70	0.68
Silver(\$/oz)	MAY 24	25.16	0.76	3.12

ETF Holdings as on Previous Close

ETFs	In Tonnes	Net Change
SPDR Gold	815.13	0.00
iShares Silver	13,028.40	0.00

Gold and Silver Fix

Description	LTP
Gold London AM Fix(\$/oz)	2160.85
Gold London PM Fix(\$/oz)	2168.40
Silver London Fix(\$/oz)	24.30

Bullion Futures DGCX

Description	Contract	LTP
Gold(\$/oz)	APR. 24	2178.1
Gold Quanto	APR. 24	65917
Silver(\$/oz)	MAY. 24	25.17

Gold Ratio

Description	LTP
Gold Silver Ratio	86.69
Gold Crude Ratio	27.36

Weekly CFTC Positions

	Long	Short	Net
Gold(\$/oz)	164640	33580	131060
Silver	41049	25519	15530

MCX Indices

Index	Close	Net Change	% Chg
MCX iCOMDEX Bullion	16661.35	154.33	0.93 %

Macro-Economic Indicators

Time	Country	Event	Forecast	Previous	Impact
14th March 06:00 PM	United States	Core PPI m/m	0.2 %	0.5 %	High
14th March 06:00 PM	United States	Core Retail Sales m/m	0.5 %	-0.6 %	High
14th March 06:00 PM	United States	PPI m/m	0.3 %	0.3 %	High
14th March 06:00 PM	United States	Retail Sales m/m	0.8 %	-0.8 %	High
14th March 06:00 PM	United States	Unemployment Claims	218 K	217 K	High
14th March 07:30 PM	United States	Business Inventories m/m	0.2 %	0.4 %	Low

Nirmal Bang Securities - Daily Bullion News and Summary

❖ Gold steadied after snapping a record-breaking run of gains, as traders awaited US data for clues on the Federal Reserve's pivot to monetary easing. Bullion traded in a narrow range after closing 1.1% lower on Tuesday, the first decline in 10 sessions. US data showed the core consumer price index rose slightly higher than forecast, reinforcing the Fed's cautious approach to lower borrowing costs. Still, traders are sticking to their guns on rate-cut wagers, with swaps markets pricing in a 62% chance of a reduction in June. Traders are on the lookout for a \$22 billion sale of long-term Treasuries later Wednesday. More importantly, they'll focus on Thursday's producer price index release, which could provide further clarity on inflation and when the Fed might begin to cut. Policymakers have said they needed to see more evidence that inflation is headed toward its 2% target before starting to cut rates.

❖ Exchange-traded funds cut 38,555 troy ounces of gold from their holdings in the last trading session, bringing this year's net sales to 3.66 million ounces, according to data compiled by Bloomberg. The sales were equivalent to \$83.2 million at yesterday's spot price. Total gold held by ETFs fell 4.3 percent this year to 81.9 million ounces, the lowest level since Sept. 24, 2019. Gold advanced 4.6 percent this year to \$2,158.34 an ounce and fell by 1.1 percent in the latest session. State Street's SPDR Gold Shares, the biggest precious-metals ETF, pared its holdings by 46,300 ounces in the last session. The fund's total of 26.2 million ounces has a market value of \$56.6 billion. ETFs added 19.5 million troy ounces of silver to their holdings in the last trading session, bringing this year's net sales to 342,591 ounces. This was the biggest one-day increase since Feb. 2, 2021.

❖ With interest-rate cuts off the table for now, the US Federal Reserve will focus on a different topic at next week's policy-making meeting: when and how to slow quantitative tightening, the process of reducing the vast securities portfolio amassed in previous efforts to support economic activity. A final plan should be in place by the middle of this year. Whatever happens, the destination matters a lot more than the speed; the Fed's securities holdings affect the amount of cash available in the economy. The central bank's purchases put money into people's bank accounts, which the banks then hold in the form of excess reserves. When reserves are abundant, money market rates are stable, underpinned by the interest rate the Fed pays on reserves. When reserves become too scarce — as they did in September 2019 — banks scramble for cash and money market rates climb and become volatile. Problem is, nobody knows exactly at what the level reserves become scarce. Finding it will be like landing a plane with an imprecise altimeter. For this reason, the Fed needs to flatten out its rate of descent as it nears the runway and be extra careful around the point of touchdown. Right now, there's still plenty of room for maneuver. Reserves stand at about \$3.6 trillion, compared with less than \$1.5 trillion in September 2019. Since late 2022, though, they've been supported by nearly \$2 trillion in outflows from the Fed's reverse repo facility, set up as a place for non-banks such as money-market mutual funds to park their cash. With only \$445 billion remaining in the facility, that supply of reserves will soon end, and reductions in the Fed's securities holdings will affect reserves more directly.

❖ The European Central Bank presented a new framework for how it implements monetary policy, preserving the current system of steering interest rates while giving lenders more of a say over how much cash they need to operate. The revamp of the plumbing that underpins the ECB's key task of maintaining stable prices in the 20-nation euro zone will see banks decide how much liquidity they need from the Frankfurt-based institution on top of what's provided through a new permanent portfolio of bonds. While no timeline was given for shifting to the new setup, the process will be protracted due to the large amount of money still in the system from past stimulus drives. The ECB said in late 2022 that it would revamp its so-called operational framework as the rate hikes that followed Russia's invasion of Ukraine ended years of ultra-low — and at times negative — borrowing costs, alongside mass bond purchases to flood banks with money to perk up the region's lackluster economy. The review acknowledges the "significant changes in the financial system and monetary policy in recent years," President Christine Lagarde said in a statement. "The framework will ensure that our policy implementation remains effective, robust, flexible and efficient."

Fundamental Outlook: Gold and silver prices are trading mix today on the international bourses. We expect gold and silver prices to trade higher for the day, as gold prices held an advance ahead of US data as markets seek clarity on the strength of inflation, which could provide clues on when the Federal Reserve will start to loosen policy settings.

Key Market Levels for the Day

Time	Month	S3	S2	S1	R1	R2	R3
Gold – COMEX	Apr	2130	2155	2170	2185	2210	2235
Silver – COMEX	May	24.35	24.60	24.85	25.10	25.35	25.50
Gold – MCX	Apr	65300	65500	65750	66000	66200	66500
Silver – MCX	May	73700	74200	74700	75300	76000	76600

Nirmal Bang Securities - Daily Currency Market Update

Dollar Index

LTP/Close	Change	% Change
102.79	-0.17	-0.16

Bond Yield

10 YR Bonds	LTP	Change
United States	4.1899	0.0391
Europe	2.3660	0.0370
Japan	0.7670	-0.0030
India	7.0410	0.0130

Emerging Market Currency

Currency	LTP	Change
Brazil Real	4.972	0
South Korea Won	1314.35	3.5000
Russia Rubble	91.35	-0.3987
Chinese Yuan	7.1868	0.0042
Vietnam Dong	24670	26
Mexican Peso	16.6665	-0.1335

NSE Currency Market Watch

Currency	LTP	Change
NDF	82.93	-0.01
USDINR	82.8625	0.06
JPYINR	56.16	-0.1825
GBPINR	105.9725	0.06
EURINR	90.6225	0.0725
USDJPY	147.67	0.71
GBPUSD	1.2791	0.0006
EURUSD	1.0939	0

Market Summary and News

❖ Expectations for the yen to outperform its peers this year have all but evaporated, with strategists now forecasting the currency to end 2024 within a few percent of where it started. Gains in the yen seen this month as the Bank of Japan prepares to end negative interest rates come after a 6% slump versus the dollar in January-February. Investors are excited by the prospect of a shift in Japan's rate policy as soon as next week, but wary of the strength in the US economy and the likelihood that the yield gap between the two countries will remain wide. Nomura Securities Co., Mizuho Bank Ltd. and Citigroup Global Markets Japan Inc. are among those who have slashed their yen forecasts in recent weeks. The median prediction in a Bloomberg survey is for the currency to finish 2024 at 140 per dollar, just 5% stronger than the current level. "The balance of risk is tilted towards a weaker yen than we are projecting," HSBC Holdings Plc analysts including Paul Mackel, global head of FX research, said in a note this week. The bank sees the yen ending the year at 136 against the dollar. This means that traders and investors who had pinning their hopes on a yen revival after three years of losses risk being caught out amid a more sober picture of how far the Japanese currency can gain once Governor Kazuo Ueda pulls away from sub-zero rates. Stock prices hit a record high this month, inflation remains solid, and wage growth accelerated in January to the fastest pace since June, all supporting the case for a rate hike.

❖ The dollar slipped to the bottom of a narrow trading range as a slump in market volatility underpinned carry trades and weakened foreign-exchange havens. Rising oil and metal prices lifted commodity currencies. The Bloomberg Spot Index is down 0.1%. The yield on 10-year Treasuries is up 4 basis points to 4.19%. The Bloomberg Commodity index rises 0.8% to a six-week high, fueled by WTI oil nearing \$80/bbl and as copper climbed as much as 3.4% in London to the highest level since April. Treasury Secretary Janet Yellen said there is no broad-based move away from the US dollar. Volatility selling remains strong in both rates and FX following Tuesday's US CPI data; EUR/USD three-month volatility falls to as low as 5.26%, the lowest since November 2021, and USD/CAD implieds slide to a four-year low. GBP/USD one-year vol slips a fifth day, falling below 7% for the first time since September 2021; eyes the 2020 low of 6.77% on further weakness. USD/JPY is up 0.1% to 147.84, paring a loss of as much 0.3% as Nikkei reports that the BOJ will discuss ending its negative interest rate policy at a meeting on Monday. USD/JPY 1-week volatility that incorporates talks and a Bank of Japan meeting dips to 10.9%; 1-month risk reversals eases to below 1.3%, lowest yen premium in two weeks. EUR/USD gains 0.2%, reversing an 0.1% drop. Euro had slipped earlier after ECB's Villeroy said June is more likely than April for a first move when it comes to interest-rate cuts. Period settles between EUR2.3b of 1.09 strikes and EUR2.5b of 1.10 strikes expiring Monday. GBP/USD rises less than 0.1% to 1.2795; data showed the UK economy rebounded in January, registering modest growth after falling into a technical recession in the second half of last year. USD/CAD eases 0.2% to 1.3465; losses are slowed by over \$2b of 1.3480-90 options expiring Friday.

Key Market Levels for the Day

	S3	S2	S1	R1	R2	R3
USDINR Spot	82.6225	82.6875	82.7655	82.8775	82.9550	83.0075

Nirmal Bang Securities - Bullion Technical Market Update

Gold Market Update



Market View	
Open	65520
High	66030
Low	65450
Close	65897
Value Change	416
% Change	0.64
Spread Near-Next	480
Volume (Lots)	4036
Open Interest	16005
Change in OI (%)	-3.39%

Gold - Outlook for the Day

BUY GOLD APR (MCX) AT 65750 SL 65450 TARGET 66100/66350

Silver Market Update



Market View	
Open	73810
High	75271
Low	73700
Close	75170
Value Change	1320
% Change	1.79
Spread Near-Next	1292
Volume (Lots)	15978
Open Interest	24912
Change in OI (%)	11.37%

Silver - Outlook for the Day

BUY SILVER MAY (MCX) AT 74700 SL 74200 TARGET 75500/76000

Nirmal Bang Securities - Currency Technical Market Update

USDINR Market Update



Market View	
Open	82.8075
High	82.935
Low	82.805
Close	82.8625
Value Change	0.06
% Change	0.0725
Spread Near-Next	0.3703
Volume (Lots)	1397067
Open Interest	3061919
Change in OI (%)	0.04%

USDINR - Outlook for the Day

The USDINR future witnessed a flat opening at 82.80, which was followed by a session that showed buying from lower level with candle closures near high. A green candle formed by the USDINR price having resistance of 20-days moving average placed at 82.92. On the daily chart, the MACD showed a negative crossover below the zero-line, while the momentum indicator, RSI has trailing between 38-43 levels. We are anticipating that the price of USDINR futures will fluctuate today between 82.78 and 82.95.

Key Market Levels for the Day

	S3	S2	S1	R1	R2	R3
USDINR March	82.6525	82.7275	82.7875	82.9575	83.0225	83.0775

Nirmal Bang Securities – Commodity Research Team

Name	Designation	Email
Kunal Shah	Head of Research	kunal.shah@nirmalbang.com
Devidas Rajadhikary	AVP Commodity Research	devidas.rajadhikary@nirmalbang.com
Harshal Mehta	AVP Commodity Research	harshal.mehta@nirmalbang.com
Ravi D'souza	Sr. Research Analyst	ravi.dsouza@nirmalbang.com
Smit Bhayani	Research Associate	smit.bhayani@nirmalbang.com
Utkarsh Dubey	Currency Research Associate	Utkarsh.dubey@nirmalbang.com

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