

## Daily Bullion Physical Market Report

Date: 16<sup>th</sup> May 2024

### Daily India Spot Market Rates

Description	Purity	AM	PM
Gold	999	72725	72934
Gold	995	72434	72642
Gold	916	66616	66808
Gold	750	54544	54701
Gold	585	42544	42666
Silver	999	84206	84505

Rate as exclusive of GST as of 15<sup>th</sup> May 2024 Gold is Rs/10 Gm & Silver in Rs/Kg

### Gold and Silver 999 Watch

Date	GOLD*	SILVER*
15 <sup>th</sup> May 2024	72335	84080
14 <sup>th</sup> May 2024	72335	84080
13 <sup>th</sup> May 2024	72164	83494
10 <sup>th</sup> May 2024	73008	84215

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

### COMEX Futures Watch

Description	Contract	Close	Change	%Chg
Gold(\$/oz)	JUNE 24	2394.90	35.00	1.48
Silver(\$/oz)	JULY 24	29.73	1.03	3.58

### ETF Holdings as on Previous Close

ETFs	In Tonnes	Net Change
SPDR Gold	831.92	0.00
iShares Silver	13,073.06	-28.43

### Gold and Silver Fix

Description	LTP
Gold London AM Fix(\$/oz)	2371.80
Gold London PM Fix(\$/oz)	2357.50
Silver London Fix(\$/oz)	28.82

### Bullion Futures DGCX

Description	Contract	LTP
Gold(\$/oz)	JUNE 24	2392.2
Gold Quanto	JUNE 24	73122
Silver(\$/oz)	MAY 24	29.97

### Gold Ratio

Description	LTP
Gold Silver Ratio	80.56
Gold Crude Ratio	30.46

### 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	18407.94	239.44	1.30 %

### Macro-Economic Indicators

Time	Country	Event	Forecast	Previous	Impact
16 <sup>th</sup> May 06:00 PM	United States	Unemployment Claims	219K	231K	High
16 <sup>th</sup> May 06:00 PM	United States	Building Permits	1.48M	1.46M	Medium
16 <sup>th</sup> May 06:00 PM	United States	Philly Fed Manufacturing Index	7.7	15.5	Medium
16 <sup>th</sup> May 06:00 PM	United States	Housing Starts	1.42M	1.32M	Low
16 <sup>th</sup> May 06:45 PM	United States	Industrial Production m/m	0.1%	0.4%	Medium
16 <sup>th</sup> May 06:45 PM	United States	Capacity Utilization Rate	78.4%	78.4%	Low
16 <sup>th</sup> May 07:30 PM	United States	FOMC Member Barr Speaks	-	-	Low
16 <sup>th</sup> May 09:30 PM	United States	FOMC Member Mester Speaks	-	-	Low

### Nirmal Bang Securities - Daily Bullion News and Summary

□ Gold rose to the highest in more than three weeks after latest data showed ebbing inflation and weak retail sales, reinforcing expectations that the Federal Reserve will start cutting interest rates this year. A measure of underlying US inflation cooled in April for the first time in six months, with the so-called core consumer price index — which excludes food and energy costs — increasing 0.3% from March, according to government data released Wednesday. Separate data out Wednesday showed retail sales stagnated in April, indicating high borrowing costs and mounting debt are encouraging greater prudence among consumers. While the data provided some relief for policymakers looking to start cutting interest rates this year, they also pointed to potential economic weakness and sticky inflation, which would benefit gold as it's a hedge against financial stress and price pressures. Investors remain net sellers of gold exchange-traded funds so far this year, with total holdings down 5.9%, according to data compiled by Bloomberg. The precious metal has traded in a fairly narrow range over the last few weeks, following a blistering rally that saw it reach a record high in mid-April. Prices are up about 14% this year, with gains underpinned by central bank buying, heightened geopolitical risks and consumer demand in China. Bullion has gained despite the anticipated timing of the Fed's pivot being pushed back.

□ Exchange-traded funds added 20,219 troy ounces of gold to their holdings in the last trading session, bringing this year's net sales to 5.04 million ounces, according to data compiled by Bloomberg. The purchases were equivalent to \$47.7 million at yesterday's spot price. Total gold held by ETFs fell 5.9 percent this year to 80.5 million ounces. Gold advanced 14 percent this year to \$2,358.12 an ounce and by 0.9 percent in the latest session. State Street's SPDR Gold Shares, the biggest precious-metals ETF, maintained its holdings in the last session. The fund's total of 26.7 million ounces has a market value of \$63.1 billion. ETFs cut 137,184 troy ounces of silver from their holdings in the last trading session, bringing this year's net sales to 10.7 million ounces. This was the third straight day of declines.

□ Federal Reserve Bank of Minneapolis President Neel Kashkari repeated the central bank likely needs to keep interest rates at the current level for “a while longer,” and questioned how much they're restraining the US economy. “The biggest uncertainty in my mind is how much downward pressure is monetary policy putting on the economy,” Kashkari said Wednesday at an event in Bismarck, North Dakota. “That's an unknown — we don't know for sure. And that tells me we probably need to sit here for a while longer until we figure out where underlying inflation is headed before we jump to any conclusions.” The Minneapolis Fed chief said last week the central bank will likely keep interest rates where they are “for an extended period of time.” Policymakers have kept interest rates at their current level — now a 23-year high — since July. Fed officials have pushed out expectations for the first rate cut; emphasizing a need to keep borrowing costs elevated for longer amid disappointing inflation prints. Fresh data out Wednesday showed price growth excluding food and energy slowed for the first time in six months in April. Kashkari, who doesn't vote on policy this year, said he's keeping a close eye on the housing market and its role in inflation. He also noted he had expected more of an impact on the economy given the current policy rate and current mortgage rates. “It seems like there's more resilience in the economy than I had expected,” Kashkari said. “So maybe because of some of these dynamics, these interest rates only really mean we're putting one foot on the brake and not two.” Investors currently expect about two rate cuts this year, according to futures markets.

□ Federal Reserve Bank of Chicago President Austan Goolsbee welcomed the slowdown in price growth in April but said there's still room for more disinflations. Speaking Wednesday following a release that showed price growth excluding food and energy slowed in April for the first time in six months, Goolsbee signaled he'd like to see more such reports before supporting rate cuts. Inflation showed “some improvement from last time, pretty much what we expected, but still higher than we were running for the second half of last year,” Goolsbee said in an interview on the Marketplace radio program. “So there's still room for improvement.” The Chicago Fed chief, who doesn't vote on policy this year, called the disinflation path bumpy and pointed to housing inflation as a key indicator he's watching. Fed officials have pushed out expectations for the first interest rate cut, emphasizing a need to keep borrowing costs elevated for longer amid disappointing inflation prints.

□ A measure of underlying US inflation cooled in April for the first time in six months, a small step in the right direction for Federal Reserve officials looking to start cutting interest rates this year. The so-called core consumer price index — which excludes food and energy costs — climbed 0.3% from March, snapping a streak of three above-forecast readings which spurred concern that inflation was becoming entrenched. The year-over-year measure cooled to the slowest pace in three years, Bureau of Labor Statistics figures showed. The Fed is trying to rein in price pressures by weakening demand across the economy. Another report out Wednesday showed retail sales stagnated in April, indicating high borrowing costs and mounting debt are encouraging greater prudence among consumers. While the figures may offer the Fed some hope that inflation is resuming its downward trend, officials will want to see additional readings to gain the confidence they need to start thinking about cutting interest rates. Chair Jerome Powell said Tuesday the central bank will “need to be patient and let restrictive policy do its work,” and some policymakers don't expect to cut rates at all this year. Treasury yields fell, the S&P 500 opened higher and the dollar weakened. Traders boosted the odds of a September rate cut to about 60%. Core CPI over the past three months increased an annualized 4.1%, the smallest since the start of the year. Economists see the core gauge as a better indicator of underlying inflation than the overall CPI. That measure climbed 0.3% from the prior month and 3.4% from a year ago.

**Fundamental Outlook:** Gold and silver prices are trading slightly higher today on the international bourses. We expect gold and silver prices to trade higher for the day, as gold prices rose for a third day after slowing US inflation raised the possibility of an interest-rate cut as soon as September. Bullion traded near the highest in almost four weeks after jumping 1.2% on Wednesday as a measure of underlying US inflation cooled in April for the first time in six months.

### Key Market Levels for the Day

Time	Month	S3	S2	S1	R1	R2	R3
Gold – COMEX	June	2325	2350	2385	2400	2420	2450
Silver – COMEX	May	29.30	29.55	29.80	30.00	30.25	30.50
Gold – MCX	June	72650	72850	73100	73300	73500	73800
Silver – MCX	May	85600	86200	87000	87700	88200	88800

### Nirmal Bang Securities - Daily Currency Market Update

#### Dollar Index

LTP/Close	Change	% Change
104.35	-0.67	-0.64

#### Bond Yield

10 YR Bonds	LTP	Change
United States	4.3400	-0.0994
Europe	2.4220	-0.1250
Japan	0.9560	0.0030
India	7.0810	-0.0250

#### Emerging Market Currency

Currency	LTP	Change
Brazil Real	5.1366	0.0072
South Korea Won	1369.15	0.9000
Russia Rubble	91.1887	-0.1455
Chinese Yuan	7.219	-0.0147
Vietnam Dong	25454	1
Mexican Peso	16.6864	-0.1663

#### NSE Currency Market Watch

Currency	LTP	Change
NDF	83.51	0.02
USDINR	83.5425	-0.0125
JPYINR	53.5825	0.0825
GBPINR	105.2	0.4025
EURINR	90.3525	0.245
USDJPY	155.34	-0.8
GBPUSD	1.2626	0.0051
EURUSD	1.0813	0.0035

#### Market Summary and News

□ The Indian rupee is among Asia's laggards on Wednesday amid a wider trade deficit and outflows from the nation's equities. Bonds are higher, tracking an overnight drop in US yields. USD/INR steady at 83.4987; rose to a record 83.5750 in April. India's foreign merchandise trade deficit widened to \$19.1 billion in April from \$15.6 billion a month earlier, according to data from the Ministry of Commerce & Industry. The Indian rupee is likely to appreciate against the dollar on the back of foreign inflows, with little chance of further negative surprises on the nation's external account, according to RBL Bank. "On the external balances front, we do not see significant negative surprises," says Achala Jethmalani, economist at RBL Bank. "This coupled with the assumption of foreign flows making a comeback by end June 2024; we think the INR stands to gain"; Sees USD/INR trading in a range of 84.00-82.50 for the rest of the quarter ending June, with trade deficit in the range of \$16b-\$19b. "The rupee's move shows demand from foreign investors who have been selling equities and taking money out of India keeping the dollar bid with RBI selling dollars at the other end," says Anil Kumar Bhansali, head of trading at Finrex Treasury Advisors. 10-year yields fall 2bps to 7.08%; 5-year yield also 2bps lower to 7.09%. India sells 270b rupees of treasury bills as planned: RBI statement. Foreigners continue to pull funds from the nation's equity markets, with nearly \$3b of outflows so far in May.

□ The dollar slid to a one-month low as traders became more certain about Fed rate cuts this year after data showed US inflation cooling, retail sales stalling and homebuilder sentiment waning. Risk-sensitive currencies led gainers amid a new record for the S&P 500. The Bloomberg Dollar Spot Index drops as much as 0.6% to its lowest since April 10. The greenback is lower against all it G-10 peers with the New Zealand kiwi and Swedish krona leading currency gainers. 10-year US yield falls nine basis points to 4.35% and 2-year yields fall eight basis points to 4.73%. US data show consumer prices rose 0.3% in April, below the 0.4% median forecast, with the annual pace slowing to 3.4%; the core measure excluding food and energy climbed 0.3% on the month, meeting expectations. US retail sales were unchanged in April versus a monthly forecast of up 0.4%. Empire manufacturing index for May was -15.6 versus -10.0 forecast. US homebuilder sentiment declined in May for the first time in six months as mortgage rates above 7% kept buyers on the sidelines and weighed on expectations. Federal Reserve Bank of Minneapolis President Neel Kashkari repeated that the central bank likely needs to keep interest rates at the current level for "a while longer," and questioned how much they're restraining the US economy. Athanasios Vamvakidis, head of G-10 currency strategy at Bank of America, said: "Data just confirmed our view that the Fed is likely to cut this December. However, the market is now pricing September, which may be too early." While soft data would tend to be a negative for the dollar, "for international risk/FX carry, data that does not delay a Fed cut further is helpful," notes Deutsche Bank strategist Alan Ruskin. Volatility levels sank across currencies and tenors after the data; an index of three-month BBDXY volatility slips to 6.42%, its lowest level since April 9. EUR/USD rose 0.6% to a near two-month high of 1.0881 amid a second wave of dollar sales, biggest gain since early April. The ECB is very likely to start cutting interest rates at its next policy meeting in June, Bank of France Governor Francois Villeroy de Galhau said. One-week risk reversal surges to highest level this year at 0.24% in favor of calls. SEK rallies 1.4% against the greenback, most since November; earlier data showed Sweden's underlying inflation held steady last month. USD/JPY drops 1.0% to 154.93 amid lower Treasury yields and stop-loss sales; volatility level are lower across tenors. GBP/USD jumps 0.7% to 1.2684, most in three weeks; Ben Bernanke said there is growing interest within the Bank of England over publishing its own interest-rate projections, one of the strongest signals yet that the central bank is mulling a major communications shake-up. AUD/USD jumps 1.0% to 0.6695, its highest level in four months, amid strong speculative and stop-loss buying after the US data; AUD/JPY approaches its YTD high. NZD/USD rises as much as 1.4% to 0.6067 amid a speculative volume surge after US data and option positioning ahead of the RBNZ next week; pair is set for best day since November. USD/CAD slips 0.4% to 1.3592 with the drop slowed by bids near 1.3600; factory sales in Canada fell 0.9% in the first quarter and existing home sales slipped 1.7% in April.

#### Key Market Levels for the Day

	S3	S2	S1	R1	R2	R3
USDINR Spot	83.3825	83.4450	83.5075	83.5525	83.6050	83.6575

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

**Gold Market Update**



Market View	
Open	72336
High	73145
Low	72234
Close	73102
Value Change	805
% Change	1.11
Spread Near-Next	401
Volume (Lots)	10050
Open Interest	11741
Change in OI (%)	-3.77%

**Gold - Outlook for the Day**

**BUY GOLD JUNE (MCX) AT 72850 SL 72650 TARGET 73300/73500**

**Silver Market Update**



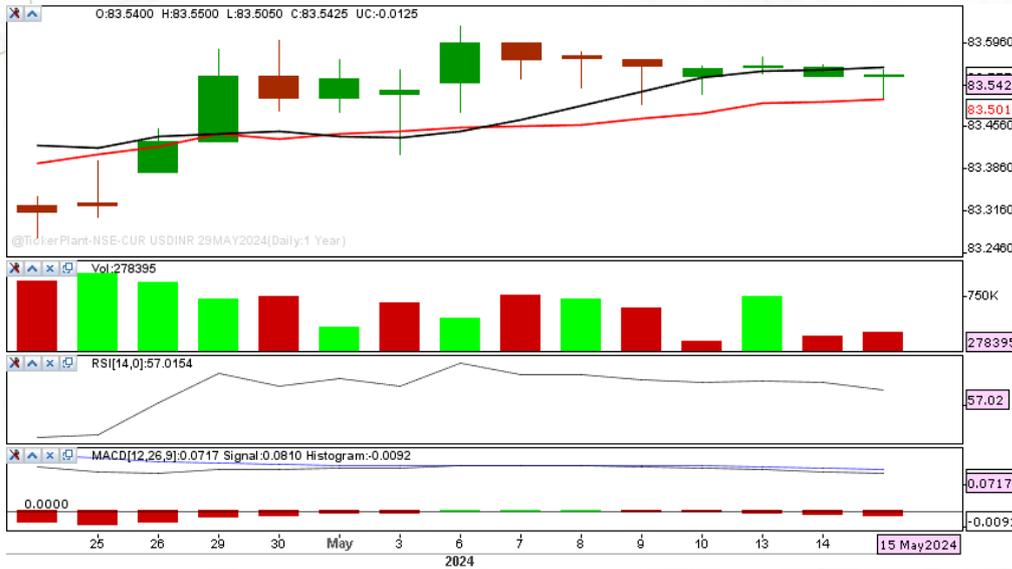
Market View	
Open	85521
High	86975
Low	85172
Close	86865
Value Change	1448
% Change	1.7
Spread Near-Next	0
Volume (Lots)	22749
Open Interest	29485
Change in OI (%)	5.13%

**Silver - Outlook for the Day**

**BUY SILVER JULY (MCX) AT 86200 SL 85600 TARGET 87000/87700**

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

**USDINR Market Update**



Market View	
Open	83.54
High	83.55
Low	83.505
Close	83.5425
Value Change	-0.0125
% Change	-0.015
Spread Near-Next	0
Volume (Lots)	278395
Open Interest	3103700
Change in OI (%)	0.75%

**USDINR - Outlook for the Day**

The USDINR future witnessed a flat opening at 83.54, which was followed by a session where price shows minimal buying from lower level with candle closures near high. A doji candle formed by the USDINR price, where price taken support at 20-days moving averages placed at 83.50. The pair has trading in choppy range for last one week. On the daily chart, the MACD showed a negative 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 83.44 and 83.55.

**Key Market Levels for the Day**

	S3	S2	S1	R1	R2	R3
USDINR May	83.3825	83.4450	83.5075	83.5525	83.6050	83.6575

**Nirmal Bang Securities – Commodity Research Team**

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

This Document has been prepared by Nirmal Bang Securities Pvt. Ltd. The information, analysis and estimates contained herein are based on Nirmal Bang Securities Research assessment and have been obtained from sources believed to be reliable. This document is meant for the use of the intended recipient only. This document, at best, represents Nirmal Bang Securities Research opinion and is meant for general information only. Nirmal Bang Securities Research, its directors, officers or employees shall not in any way be responsible for the contents stated herein. Nirmal Bang Securities Research expressly disclaims any and all liabilities that may arise from information, errors or omissions in this connection. This document is not to be considered as an offer to sell or a solicitation to buy any securities. Nirmal Bang Securities Research, its affiliates and their employees may from time to time hold positions in securities referred to herein. Nirmal Bang Securities Research or its affiliates may from time to time solicit from or perform investment banking or other services for any company mentioned in this document.