



# India Bullion and Jewellers Association Ltd.

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### Daily Bullion Physical Market Report

Date: 20<sup>th</sup> October 2020

#### Daily India Spot Market Rates

Description	Purity	AM	PM
Gold	999	51039	51023
Gold	995	50835	50819
Gold	916	46752	46737
Gold	750	38279	38267
Gold	585	29858	29848
Silver	999	62081	62540

\* Rates are exclusive of GST as of 19<sup>th</sup> October 2020  
Gold in Rs/10 Gm & Silver in Rs/Kg

#### Gold and Silver 999 Watch

Date	Gold*	Silver*
19 <sup>th</sup> October 2020	51023	62540
16 <sup>th</sup> October 2020	50905	61558
15 <sup>th</sup> October 2020	50663	60159
14 <sup>th</sup> October 2020	50627	60730

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

#### COMEX Futures Watch

Description	Contract	Close	Change	% Chg
Gold(\$/oz)	December	1911.70	5.30	0.28
Silver(\$/oz)	December	24.70	0.29	1.20

#### Bullion Futures DGCX

Description	Contract	LTP
Gold (\$/oz)	25 November 2020	1905.5
Gold Quanto	25 November 2020	50707
Silver (\$/oz)	25 November 2020	24.41

#### ETF Holdings as on Previous Close

ETF	In Tons	Net Change
SPDR Gold	1,272.85	0.29
iShares Silver	17,547.68	20.25

#### Gold and Silver Fix

Description	LTP
Gold London AM Fix(\$/oz)	1910.00
Gold London PM Fix(\$/oz)	1905.60
Silver London Fix(\$/oz)	24.84

#### Weekly CFTC Positions

	Long	Short	Net
Gold	1,73,108.00	53,285.00	1,19,823.00
Silver	60,324.00	25,852.00	34,472.00

#### Gold Ratio

Gold Silver Ratio	77.40
Gold Crude Ratio	46.82

#### Macro-Economic Indicators

Time	Country	Event	Forecast	Previous	Impact
20 <sup>th</sup> October 6:00PM	United States	Building Permits	1.52M	1.48M	Low
20 <sup>th</sup> October 6:00PM	United States	Housing Starts	1.45M	1.42M	Low

#### MCX Indices

Index	Close	Net Change	% Change
MCX iCOMDEX Bullion	15498.96	57.24	0.37



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

- Gold headed for its third gain in four sessions on renewed optimism over the prospects for a U.S. stimulus deal and uncertainty over Brexit talks between Britain and the European Union. Treasury Secretary Steven Mnuchin and House Speaker Nancy Pelosi will hold a call Monday afternoon on a fiscal-stimulus package, a day before Pelosi's deadline for a pre-election package expires. Meanwhile, British officials are prepared to water down Boris Johnson's controversial lawbreaking Brexit legislation in a move that could revive failing talks with the EU, according to people familiar with the matter.
- Exchange-traded funds cut 207,133 troy ounces of gold from their holdings in the last trading session, bringing this year's net purchases to 28.1 million ounces, according to data compiled by Bloomberg. The sales were equivalent to \$393.4 million at the previous spot price. Total gold held by ETFs rose 34 percent this year to 111 million ounces. State Street's SPDR Gold Shares, the biggest precious- metals ETF, pared its holdings by 112,639 ounces in the last session. The fund's total of 40.9 million ounces has a market value of \$77.7 billion. ETFs also cut 40,788 troy ounces of silver from their holdings in the last trading session, bringing this year's net purchases to 282.9 million ounces.
- The Federal Reserve and other central banks will eventually discover that breaking up isn't easy after partnering with their governments and the financial markets to avert a pandemic-driven depression. Investors and lawmakers enamored with cheap money may well balk when monetary authorities try to throttle back their quantitative easing and other stimulus measures. Instead, faced with slowing global growth and resurgent infections, the focus of policy makers at last week's all- virtual International Monetary Fund and World Bank meetings was on more support for the world economy, not less. Central banks are pulling out the stops to do all they can, boosting financial markets with massive asset purchases and pushing government borrowing costs to record lows.
- Federal Reserve Vice Chair Richard Clarida said the U.S. economy faces a long and uncertain recovery from the Covid-19 pandemic, and requires continued support from monetary and fiscal policy. "It will take some time to return to the levels of economic activity and employment that prevailed at the business cycle peak in February, and additional support from monetary – and likely fiscal policy will be needed," Clarida said Monday in a speech to an online event hosted by the American Bankers Association.

**Fundamental Outlook:** Gold and silver prices are trading under pressure as investors and market participants are now doubting the stimulus deal between House Speaker Nancy Pelosi and Treasury Secretary Steven Mnuchin which has been decided to finalize by Tuesday or may surpass the U.S. Presidential elections date. For intra-day gold and silver prices are expected to trade range-bound.

#### Key Market Levels for the Day

	Month	S3	S2	S1	R1	R2	R3
Gold – COMEX	December	1855	1870	1890	1920	1945	1968
Silver – COMEX	December	23.50	23.70	24.10	24.60	25.00	25.35
Gold – MCX	December	50100	50400	50550	50700	50850	51000
Silver - MCX	December	60300	61200	61700	62500	63300	63850



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### Nirmal Bang Securities - Daily Currency Market Update

#### Dollar index

LTP/Close	Change	% Change
93.43	-0.26	-0.27

#### Bond Yield

10 YR Bonds	LTP	Change
United States	0.7690	0.0233
Europe	-0.6290	-0.0070
Japan	0.0260	0.0030
India	5.9390	0.0050

#### Emerging Market Currency

Currency	LTP	Change
Brazil Real	5.6104	-0.0358
South Korea Won	1142	-5.4000
Russia Ruble	77.6602	-0.2498
Chinese Yuan	6.683	-0.0146
Vietnam Dong	23168	1
Mexican Peso	21.1969	0.0586

#### NSE Currency Market Watch

Currency	LTP	Change
NDF	73.59	-0.02
USDINR	73.375	-0.0475
JPYINR	69.655	-0.0925
GBPINR	95.375	0.66
EURINR	86.315	0.255
USDJPY	105.4	0.13
GBPUSD	1.3001	0.0097
EURUSD	1.1764	0.0041

#### Market Summary and News

- Federal Reserve Chair Jerome Powell said the central bank hasn't made a decision to issue a digital currency, citing the need for further work and "extensive" public consultation with stakeholders before doing so. "It's more important for the United States to get it right than to be first," Powell said Monday on a panel hosted by the International Monetary Fund during its annual meeting. "We are committed to carefully and thoughtfully evaluating the potential costs and benefits of a central bank digital currency for the U.S. economy and payments system. We have not made a decision to issue a CBDC." Fed officials have swerved sharply from their previously cautious approach to digital currencies, embracing a full-scale study on whether one might be suitable for the U.S. Powell said about 80% of central banks around the world are exploring the idea, however, "There are a number of ways that a CBDC might improve the payments system, and it is mainly this area that motivates our interest," Powell said.
- The central bank announced in August that it was expanding experimentation with technologies related to digital currencies. In addition, the Boston Fed is working with researchers at the Massachusetts Institute of Technology to build a hypothetical digital currency oriented for central bank use. Many of the policy questions are unresolved, but those efforts are indicative how seriously the Fed now regards the project. U.S. central bankers were slow to warm to the idea of a digital currency, but their interest picked up after Facebook Inc. proposed its own unit of exchange for its users. Digital money could change the way monetary policy works in the economy, as well as speed up a payment system that remains slow and taxing for consumers and behind many other nations.
- The Bank of Japan is likely to keep policy steady at its meeting next week and extend the duration of its Covid response measures by January at the latest, according to surveyed economists. The remarks by Governor Haruhiko Kuroda last month that there is a good chance the BOJ will lengthen the time frame of the program beyond March 31. At the height of the pandemic the bank created two funding programs worth a total of about \$1 trillion and raised its buying limit on corporate bonds and commercial paper.
- "The extension could even come as early as this meeting" said Ryutaro Kono, chief Japan economist at BNP Paribas SA. Still, "fiscal policy must play the leading role in supporting the economy with the BOJ helping back that up through yield curve control," he added. To that end, Prime Minister Yoshihide Suga will compile another extra budget by the end of this year, according to 85% of the economists. Kuroda said earlier this month that the government can keep the cost of issuing bonds low as the central bank anchors interest rates at ultra low levels to stimulate prices.

#### Key Market Levels for the Day

	S3	S2	S1	R1	R2	R3
USDINR Spot	72.7000	72.9000	73.1000	73.5000	73.6500	73.8500



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### Nirmal Bang Securities - Bullion Technical Market Update

#### Gold Market Update



#### Market View

Open	50552
High	50940
Low	50437
Close	50687
Value Change	140
% Change	0.28
Spread Near-Next	57
Volume (Lots)	9820
Open Interest	14036
Change in OI (%)	-2.04%

#### Gold - Outlook for the Day

Gold prices are likely to trade positive for the day as long as holding above \$1880 seems to be more positive for the prices can test \$1950-60. Positive crossover in 9/21 MA goes supportive for the decision to buy on dips around 1900-1890 can test 1950.

**SELL GOLD DEC (MCX) AT 50750 SL 51000 TARGET 50450/50300.**

#### Silver Market Update



#### Market View

Open	61462
High	63280
Low	61177
Close	62095
Value Change	419
% Change	0.68
Spread Near-Next	1603
Volume (Lots)	23793
Open Interest	14791
Change in OI(%)	-0.80%

#### Silver - Outlook for the Day

Comex silver is likely to trade positive for target 25.00-30. Positive 9/21 MA shows strength momentum buy silver on dips \$24.00-23.70 for target 25.30-50.

**SELL SILVER DEC (MCX) AT 62500 SL 63300 TARGET 61200/60700.**





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### Nirmal Bang Securities - Currency Technical Market Update

#### USDINR Market Update



#### Market View

Open	73.515
High	73.515
Low	73.33
Close	73.4225
Value Change	-0.085
% Change	-0.12
Spread Near-Next	0.1975
Volume	1501172
Open Interest	1922041
Change in OI (%)	3.17%

#### USDINRR - Outlook for the Day

USDINR had a flat open at 73.51 and continued with the red momentum but remained in a very narrow range with closure at 73.37. On the daily chart, the pair has formed a red candle and has closed sideways. The failure to breach the resistance of 73.65 is indicating weakness in the pair. USDINR has closed below short term moving, medium term moving averages and the long term moving averages. USDINR if opens on a positive note or trades above 73.45 and maintains the same as support, it can move towards 73.65 – 73.85 on the higher side. However, an open below 73.38 will lead the pair towards 73.20 – 73.10 on the lower side. The daily strength indicator RSI from the highs and momentum oscillator Stochastic is still in the weaker zone.

**Sell USDINR below 73.35 with target at 73.20 – 73 with stoploss at 73.55**

#### Key Market Levels for the Day

	S3	S2	S1	R1	R2	R3
USDINR October	72.9000	73.1000	73.2500	73.5500	73.7000	73.8500



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