

### Daily Bullion Physical Market Report

Date: 01<sup>st</sup> December 2023

#### Daily India Spot Market Rates

Description	Purity	AM	PM
Gold	999	62725	62607
Gold	995	62474	62357
Gold	916	57456	57348
Gold	750	47044	46955
Gold	585	36694	36625
Silver	999	75924	75934

Rate as exclusive of GST as of 30<sup>th</sup> November 2023 Gold is Rs/10 Gm & Silver in Rs/Kg

#### Gold and Silver 999 Watch

Date	GOLD*	SILVER*
30 <sup>th</sup> November 2023	62607	75934
29 <sup>th</sup> November 2023	62629	75700
28 <sup>th</sup> November 2023	61913	74889
24 <sup>th</sup> November 2023	61437	73046

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

#### COMEX Futures Watch

Description	Contract	Close	Change	%Chg
Gold(\$/oz)	Feb 24	2057.20	-9.90	-0.48
Silver(\$/oz)	Mar 24	25.66	0.22	0.85

#### ETF Holdings as on Previous Close

ETFs	In Tonnes	Net Change
SPDR Gold	878.53	-2.02
iShares Silver	13,562.73	0.00

#### Gold and Silver Fix

Description	LTP
Gold London AM Fix(\$/oz)	2037.85
Gold London PM Fix(\$/oz)	2035.45
Silver London Fix(\$/oz)	25.02

#### Bullion Futures DGCX

Description	Contract	LTP
Gold(\$/oz)	DEC. 23	2056.2
Gold Quanto	FEB. 24	62660
Silver(\$/oz)	DEC. 23	25.65

#### Gold Ratio

Description	LTP
Gold Silver Ratio	80.17
Gold Crude Ratio	27.08

#### Weekly CFTC Positions

	Long	Short	Net
Gold(\$/oz)	173351	58457	114894
Silver	38239	21574	16665

#### MCX Indices

Index	Close	Net Change	% Chg
MCX iCOMDEX Bullion	16483.46	-19.89	-0.12 %

#### Macro-Economic Indicators

Time	Country	Event	Forecast	Previous	Impact
01st December 01:45 PM	United States	FOMC Member Barr Speaks	-	-	Low
01st December 05:00 PM	Europe	ECB President Lagarde Speaks	-	-	Medium
01st December 08:15 PM	United States	Final Manufacturing PMI	49.4	49.4	Low
01st December 08:30 PM	United States	ISM Manufacturing PMI	47.9	46.7	High
01st December 08:30 PM	United States	ISM Manufacturing Prices	46.1	45.1	Medium
01st December 08:30 PM	United States	FOMC Member Goolsbee Speaks	-	-	Low
01st December 09:30 PM	United States	Fed Chair Powell Speaks	-	-	High
02nd December 12:30 AM	United States	Fed Chair Powell Speaks	-	-	High

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

❖ Gold steadied yesterday — after a five-day rally that pushed the precious metal close to an all-time high — as US inflation and jobs data continued to indicate the economy is cooling. The PCE core deflator — an inflation gauge favored by the Federal Reserve — increased 0.2% in October, in line with the median forecast. Meanwhile continuing claims for unemployment benefits rose more than expected. The data had little impact on gold prices, which traded slightly lower under pressure from a stronger dollar, but they will likely embolden bets on the Fed cutting rates early next year. The precious metal has rallied sharply over the last few weeks as Treasury yields and the dollar fell on expectations for a pivot in Fed policy early next year. Swaps markets are now pricing in a 46% chance of a rate cut as early as March, with lower borrowing costs typically positive for non-interest bearing bullion.

❖ Exchange-traded funds cut 336,304 troy ounces of gold from their holdings in the last trading session, bringing this year's net sales to 7.52 million ounces, according to data compiled by Bloomberg. This was the biggest one-day decrease since Oct. 19 and the third straight day of declines. The sales were equivalent to \$687.5 million at yesterday's spot price. Total gold held by ETFs fell 8 percent this year to 86.2 million ounces, the lowest level since Oct. 27. Gold advanced 12 percent this year to \$2,044.24 an ounce and by 0.2 percent in the latest session. State Street's SPDR Gold Shares, the biggest precious-metals ETF, pared its holdings by 64,890 ounces in the last session. The fund's total of 28.2 million ounces has a market value of \$57.7 billion. ETFs also cut 6.1 million troy ounces of silver from their holdings in the last trading session, bringing this year's net sales to 47.1 million ounces. This was the biggest one-day decrease since Sept. 28.

❖ Federal Reserve officials shifted their tone this week, inching closer to the conversation markets have long been having: When will the central bank begin cutting interest rates? A litany of policymakers — including six who will vote on policy next year — indicated in recent days that they were comfortable with keeping rates steady at their December meeting, encouraged by the downward trend in inflation and data showing a slowing economy. Though Fed officials showed little interest in discussing rate cuts, markets quickly latched onto comments by Governor Christopher Waller. An inflation hawk closely followed by Wall Street, Waller acknowledged the Fed would consider trimming rates if inflation continues to fall, in line with typical policy guidelines central bankers' use. Fed Chair Jerome Powell, who is set to speak at Spelman College in Atlanta on Friday, is much more likely to reiterate that it's too soon to declare victory than discuss rate cuts. Concern over a potential renewed bout of inflation is likely to keep the Federal Open Market Committee forecasting much higher interest rates in 2024 than the four quarter-point cuts priced in by markets. The odds of a quarter-point cut at the FOMC's March meeting have risen to that of a coin toss, with markets now fully pricing in a cut in May. They see more than a full point of cuts by the end of next year. Conversely, Fed officials projected rates at 5-5.25% at the end of 2024, according to their median forecast released in September — just one-quarter point lower than the current level. Some Wall Street predictions are even more bold. Deutsche Bank, which is forecasting a mild recession next year, reiterated its view this week that the Fed is likely to begin to cut in June and reduce rates by a total of 175 basis points through year-end. Billionaire investor Bill Ackman sees the central bank cutting rates as early as the first quarter of 2024.

❖ European Central Bank officials keep insisting that interest rates need to stay high, but another stark slowdown in inflation suggests the economic picture is changing faster than they expected. In three consecutive months, consumer-price growth has weakened more than economists predicted, and the outcome of 2.4% for November published on Thursday was closer to the ECB's target than at any point since mid-2021. As recently as August, inflation was more than twice as fast. Investors who were already betting on a reduction in borrowing costs as soon as April are now even surer, despite hawkish policymakers claiming no such move is in the offing. Traders shrugged last week when one official, Pierre Wunsch, even threatened that a hike could be needed to convince them. Inflation is getting tantalizingly close to the 2% goal of the Frankfurt-based ECB, and recent outcomes now make it increasingly likely that its staff will have to lower a forecast that previously envisaged price growth at the target only in the second half of 2025. Those projections will be released in just two weeks, when the ECB is widely expected to leave borrowing costs on hold for a second meeting and where President Christine Lagarde will face mounting scrutiny over her insistence on holding rates high as the economy languishes.

❖ Federal Reserve Bank of New York President John Williams reiterated the Fed's benchmark lending rate is at or near its peak level and said monetary policy is "quite restrictive." Rates are "estimated to be the most restrictive in 25 years," Williams said on Thursday at the Bretton Woods Committee conference at the New York Fed. "I expect it will be appropriate to maintain a restrictive stance for quite some time to fully restore balance and to bring inflation back to our 2% longer-run goal on a sustained basis." Fed officials are expected to leave interest rates steady when they meet next month, giving themselves more time to evaluate the economy after raising rates aggressively from near zero in March 2022 to above 5% in July. At the same time, bond traders have been ramping up their bets on an abrupt end to the central bank's tightening cycle, and are mostly pricing in the first interest-rate cut by May. Speaking to reporters after his speech, Williams said he's "not losing too much sleep over" market forecasts, adding that rate cuts will depend on how inflation and the economy evolve. Williams said he expects inflation to continue to move down to the central bank's 2% goal, forecasting that the Fed's preferred price gauge will fall to just above 2% next year and close in on that target in 2025. Government figures out Thursday showed that gauge — the personal consumption expenditures price index — slipped to 3% in October. "We've gotten to a restrictive stance and things are moving in the right direction," Williams told reporters. "Now we can assess whether we need to do more."

**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 higher for the day; as the precious metals prices have been on track for a third weekly gain amid fresh signs that a cooling US economy will be supportive for the metals into next year.

### Key Market Levels for the Day

Time	Month	S3	S2	S1	R1	R2	R3
Gold – COMEX	Feb	2015	2035	2052	2065	2085	2105
Silver – COMEX	Mar	24.10	24.35	25.58	25.70	25.95	26.20
Gold – MCX	Feb	62200	62450	62650	62750	62950	63200
Silver – MCX	Mar	76200	76900	77500	77725	78200	78800



## Nirmal Bang Securities - Daily Currency Market Update

### Dollar Index

LTP/Close	Change	% Change
103.50	0.73	0.71

### Bond Yield

10 YR Bonds	LTP	Change
United States	4.3264	0.0712
Europe	2.4450	0.0150
Japan	0.6720	0.0000
India	7.2800	0.0290

### Emerging Market Currency

Currency	LTP	Change
Brazil Real	4.9195	0.0135
South Korea Won	1290.1	0.8000
Russia Rubble	89.9068	1.262
Chinese Yuan	7.135	0.0088
Vietnam Dong	24261	-9
Mexican Peso	17.3845	0.1008

### NSE Currency Market Watch

Currency	LTP	Change
NDF	83.44	-0.05
USDINR	83.4225	0.0525
JPYINR	56.75	0.0225
GBPINR	105.41	-0.2775
EURINR	91.1025	-0.44
USDJPY	147.06	-0.14
GBPUSD	1.264	-0.0036
EURUSD	1.0921	-0.006

### Market Summary and News

❖ Bond and rupee traders will weigh India's stronger-than-estimated GDP numbers as well the exit poll results of state elections. The nation's manufacturing PMI data is also due Friday. Gross domestic product rose 7.6% in the three months to September from a year ago on boost in manufacturing and government spending before elections, according to government data released Thursday. This was higher than any of the estimates in a Bloomberg survey of economists. High frequency indicators suggest the positive momentum sustained in Oct-Nov23, including core sector output, motor vehicle registrations, loan growth, government spending, power demand etc. Prime Minister Narendra Modi's Bharatiya Janata Party has an edge over the opposition in two key state elections, exit polls show, giving him a boost before next year's polls. The BJP is poised to retain Madhya Pradesh and swing Rajasthan its way from key rival, the Indian National Congress, according to most of the exit polls Thursday. The Congress is predicted to hold on to Chhattisgarh and clinch Telangana. USD/INR little changed at 83.3950 on Thursday. Implied opening from forwards suggest spot may start trading around 83.35. 10-year yields rose 3bps to 7.28% on Thursday. RBI to hold 500b rupees 14-day reverse repo auction on Friday. Overseas investors bought 81.5b rupees of Indian equities on Thursday, provisional NSE data showed. They bought 320 million rupees of sovereign bonds under limits available to foreign investors, and withdrew 2.16 billion rupees of corporate debt. State-run banks bought 13.9 billion rupees of sovereign bonds on Nov. 30: CCIL data. Foreign banks bought 34.1 billion rupees of bonds.

❖ Emerging currencies, despite a fall on Thursday, finished November with their best monthly gains since January as US Treasury yields fell and the dollar weakened. 22 of the most-traded emerging-market currencies declined or held steady against the dollar on Thursday. The Turkish lira rose 0.30%. The index of developing country currencies advanced 2.6% in November. December tends to be the best month of the year for emerging-market currencies — with gains for the index seven of the past 10 years. The stocks gauge has dropped 6 of the past 10. The MSCI EM stock index closed higher on Thursday, led by gains in Indonesia's PT Indofood CBP and Mexico's Grupo Televisa. Equities in Latin America closed higher and posted their best monthly gains since June. For emerging-market bonds, sovereign risk premium over US Treasuries dropped 24 basis points, the most since July, according to data from JPMorgan. Across Latin America, the risk spread for the region's international debt dropped 20 basis points this month, the biggest decline since July.

❖ The dollar trimmed monthly losses as the euro fell sharply following data that showed inflation in France eased more than expected. The euro touched its weakest level against the British pound since September and it's lowest against the Swiss franc in a month. The Bloomberg Dollar Spot Index rose 0.5% on the day, trimming its monthly drop to 2.9%. Federal Reserve Bank of New York President John Williams reiterated the Fed's benchmark lending rate is at or near its peak level and said monetary policy is "quite restrictive." US consumer spending, inflation and the labor market all cooled in recent weeks, adding to evidence that the economy is slowing. EUR/USD drops 0.8% to 1.0880; "The rates markets have already frontloaded their rate cut expectations to April 2024 and seem to be looking for a total of four rate cuts next year," said Valentin Marinov, head of G-10 FX strategy at Credit Agricole. "This could suggest that some negatives are in the price of the EUR already and this should limit any downside risks for the currency in the very near term." EUR/CHF dropped 0.5% to 0.9536, lowest since end of October. EUR/GBP fell as much as 0.3% to 0.8614, weakest since Sept. 18. France's economy unexpectedly shrank in the third quarter while November inflation sank more than anticipated. The Canadian dollar was outperforming peers in the Group of 10 as OPEC+ agreed to deepen its production cuts following a slump in crude prices. USD/CAD fell 0.2% to 1.3568. USD/JPY rose 0.7% to 148.28. It's down about 2.2% this month.

### Key Market Levels for the Day

	S3	S2	S1	R1	R2	R3
USDINR Spot	83.0825	83.1875	82.2555	83.3875	83.4650	83.5575

## Nirmal Bang Securities - Bullion Technical Market Update

### Gold Market Update



Market View	
Open	62756
High	62842
Low	62530
Close	62640
Value Change	-168
% Change	-0.27
Spread Near-Next	400
Volume (Lots)	3278
Open Interest	17259
Change in OI (%)	0.79%

### Gold - Outlook for the Day

**SELL GOLD FEB (MCX) AT 62750 SL 63000 TARGET 62450/62200**

### Silver Market Update



Market View	
Open	77170
High	77585
Low	77066
Close	77515
Value Change	241
% Change	0.31
Spread Near-Next	1081
Volume (Lots)	14233
Open Interest	22570
Change in OI (%)	8.52%

### Silver - Outlook for the Day

**BUY SILVER MAR (MCX) AT 77400 SL 76900 TARGET 78000/78500**

## Nirmal Bang Securities - Currency Technical Market Update

### USDINR Market Update



Market View	
Open	83.3825
High	83.4325
Low	83.3275
Close	83.4225
Value Change	0.0525
% Change	0.063
Spread Near-Next	-0.1897
Volume (Lots)	2010774
Open Interest	4676659
Change in OI (%)	3.22%

### USDINR - Outlook for the Day

The USDINR future witnessed a flat opening at 83.38, which was followed by a session that showed strong buying from lower level with candle closures near high. A long green candle formed by the USDINR price closed taken support 20-days moving averages placed at 83.32. On the daily chart, the momentum indicator RSI trailing between 52-59 level while MACD has made a positive crossover above the zero-line. We are anticipating that the price of USDINR futures will fluctuate today between 83.32 and 83.45.

### Key Market Levels for the Day

	S3	S2	S1	R1	R2	R3
USDINR December	83.1525	83.2575	83.3675	83.4800	83.5525	83.6275



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