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# India Bullion and Jewellers Associations Ltd.

## Since 1919



## Daily Bullion Physical Market Report

Date: 1<sup>st</sup> June 2023

### Daily India Spot Market Rates

Description	Purity	AM	PM
Gold	999	60435	60390
Gold	995	60193	60148
Gold	916	55359	55317
Gold	750	45326	45293
Gold	585	35355	35328
Silver	999	71076	70988

\*Rate as exclusive of GST as of 31<sup>st</sup> May 2023 Gold is Rs/10 Gm & Silver in Rs/Kg

### Gold and Silver 999 Watch

Date	GOLD*	SILVER*
31 <sup>st</sup> May 2023	60390	70988
30 <sup>th</sup> May 2023	60402	70861
29 <sup>th</sup> May 2023	60012	70782
26 <sup>th</sup> May 2023	60142	70500

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

### COMEX Futures Watch

Description	Contract	Close	Change	%Chg
Gold(\$/oz)	AUG 23	1982.10	5.00	0.25
Silver(\$/oz)	JUL 23	23.59	0.35	1.50

### ETF Holdings as on Previous Close

ETFs	Long	Short
SPDR Gold	939.56	-1.73
iShares Silver	14,554.35	-11.42

### Gold and Silver Fix

Description	LTP
Gold London AM Fix(\$/oz)	1959.00
Gold London PM Fix(\$/oz)	1964.40
Silver London Fix(\$/oz)	23.26

### Bullion Futures DGCX

Description	Contract	LTP
Gold(\$/oz)	AUG. 23	1981.9
Gold Quanto	AUG. 23	60183
Silver(\$/oz)	JUL. 23	23.65

### Gold Ratio

Description	LTP
Gold Silver Ratio	84.03
Gold Crude Ratio	29.11

### Weekly CFTC Positions

	Long	Short	Net
Gold(\$/oz)	148165	30775	117390
Silver	43901	30724	13177

### MCX Indices

Index	Close	Net Change	% Chg
MCX iCOMDEX Bullion	16077.45	100.28	0.62 %

### Macro-Economic Indicators

Time	Country	Event	Forecast	Previous	Impact
1st June 05:45 PM	United States	ADP Non-Farm Employment Change	173K	296K	High
1st June 06:00 PM	United States	Unemployment Claims	236K	229K	High
1st June 07:30 PM	United States	ISM Manufacturing PMI	47.0	47.1	High
1st June 07:30 PM	United States	ISM Manufacturing Prices	52.4	53.2	Medium
1st June 10:30 PM	United States	FOMC Member Harker Speaks	-	-	Medium



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## Nirmal Bang Securities - Daily Bullion News and Summary

❖ Gold rose as bond yields dropped after US job openings data increased the odds that the Federal Reserve may hike interest rates again soon. US Labor Department data showed Wednesday that number of available positions unexpectedly surged in April to the highest in three months, beating all estimates. Treasury yields fell while the dollar pared gains after the print, helping boost bullion. Swaps traders are fully pricing in a hike by July, but remain split on the central bank switching to rate cuts before the end of the year. Still, the precious metal is down 0.9% this month, erasing gains made earlier in May when it surged to a near-record on fears of a US default. Those concerns have been largely alleviated as President Joe Biden and Republican House Speaker Kevin McCarthy expressed confidence that lawmakers will pass legislation in time to avert such a scenario.

❖ Exchange-traded funds cut 11,088 troy ounces of gold from their holdings in the last trading session, bringing this year's net purchases to 461,016 ounces, according to data compiled by Bloomberg. The sales were equivalent to \$21.7 million at yesterday's spot price. Total gold held by ETFs rose 0.5 percent this year to 94.2 million ounces. Gold advanced 7.4 percent this year to \$1,959.33 an ounce and by 0.8 percent in the latest session. State Street's SPDR Gold Shares, the biggest precious- metals ETF, pared its holdings by 55,735 ounces in the last session. The fund's total of 30.2 million ounces has a market value of \$59.2 billion. ETFs added 127,446 troy ounces of silver to their holdings in the last trading session, bringing this year's net purchases to 603,622 ounces.

❖ Treasuries rallied after two Federal Reserve officials indicated a preference for skipping an interest-rate hike in June even as data shows the job market remains resilient. By late afternoon in New York, 2-year to 10-year yields were 6 to 8 basis points lower on the day as traders pared expectations for Fed tightening next month. Fed Governor Philip Jefferson signaled the central bank is inclined to keep rates steady at its next meeting to give policymakers more time to assess the economic outlook, while Philadelphia Fed President Patrick Harker said he was, "definitely in the camp of thinking about skipping any increase at this meeting." The dovish comments show the divide at the Fed as other policy makers support further tightening to cool inflation. Earlier Wednesday Cleveland Fed President Loretta Mester said she sees no compelling reason to pause interest-rate increases, the Financial Times reported. We have so many speakers voicing different views on hiking and pausing," said Tracy Chen, a portfolio manager at Brandywine Global Investment Management. "We still have more data coming before the Fed day, so more uncertainty to go either way." Interest-rate derivatives downgraded the odds of a quarter-point hike on June 14 to less than one-in-two, down from about two-in-three earlier in the day. Swaps for the July meeting showed 21 basis points of tightening priced, down from about 27 basis points. Treasuries also had support Wednesday from anticipation that month-end index rebalancing at 4 p.m. New York time would create demand from passive managers. Economic data Wednesday sent mixed signals about the strength of the economy. An index tracking business conditions in Chicago came in weaker than expected, while the JOLTS data showing vacancies at US employers unexpectedly surged in April. In the afternoon, the Fed's Beige Book survey of regional business contacts pointed to signs of a cooling economy with hiring and inflation easing slightly.

❖ Federal Reserve Governor Michelle Bowman said rebounding home prices could impact the US central bank's work to lower inflation, which Boston Fed President Susan Collins said remains "simply too high." "While we expect lower rents will eventually be reflected in inflation data as new leases make their way into the calculations, the residential real estate market appears to be rebounding, with home prices leveling out recently, which has implications for our fight to lower inflation," Bowman said Wednesday at a Fed Listens event in Boston. At the same event, Collins said the Fed is "intent on reducing inflation that's just simply too high. She added: "I see price stability as a foundation for maximum employment that's sustainable with a robust job market." Policymakers have raised interest rates quickly over the past 14 months, bringing the federal funds rate to a range of 5% to 5.25%, from near zero, in a effort to cool prices. Since their meeting earlier this month, some officials have said it may be time to pause rate increases in order to assess how their policy so far has impacted the economy. Others argue that persistent inflation shows they need to keep going, or resume hikes later if they skip raising at their June 13-14 meeting. A report earlier this month showed new-home sales unexpectedly rose in April to the highest level since March 2022, indicating builders continue to benefit from limited inventory in the resale market.

❖ **Fundamental Outlook:** Gold and silver prices are trading flat on international bourses. We expect precious metals prices on Indian bourses to trade higher for the day. We recommend buy on dips in gold and silver in intra-day trading sessions as the US debt-limit deal passed in the House, and investors pared bets for more Federal Reserve rate hikes.

## Key Market Levels for the Day

Time	Month	S3	S2	S1	R1	R2	R3
Gold – COMEX	July	1930	1945	1960	1990	2020	2045
Silver – COMEX	Aug	23.10	23.45	23.70	23.95	24.10	24.40
Gold – MCX	Aug	59700	59850	60100	60400	60550	60700
Silver – MCX	July	70700	71200	71700	72250	72800	73300





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## Nirmal Bang Securities - Daily Currency Market Update

### Dollar Index

LTP/Close	Change	% Change
104.33	0.16	0.15

### Bond Yield

10 YR Bonds	LTP	Change
United States	3.6426	-0.1118
Europe	2.2800	-0.0930
Japan	0.4360	-0.0060
India	6.9880	-0.0200

### Emerging Market Currency

Currency	LTP	Change
Brazil Real	5.0556	0.0199
South Korea Won	1326.35	0.4000
Russia Rubble	81.2679	0.3965
Chinese Yuan	7.1085	0.0088
Vietnam Dong	23490	11
Mexican Peso	17.6874	0.0683

### NSE Currency Market Watch

Currency	LTP	Change
NDF	82.77	-0.07
USDINR	82.825	0.045
JPYINR	59.5375	0.03
GBPINR	102.445	-0.3725
EURINR	88.5975	-0.38
USDJPY	139.14	0.05
GBPUSD	1.2366	-0.006
EURUSD	1.0697	-0.0054

### Market Summary and News

❖ The House passed debt-limit legislation forged by President Joe Biden and Speaker Kevin McCarthy that would impose restraints on government spending through the 2024 election and avert a destabilizing US default. Lawmakers from both parties joined to approve the bill 314-117 Wednesday evening, sending the measure to the Senate for consideration as a default deadline draws near. The vote cements Biden's reputation for pragmatism and working across party lines as he seeks a second term and allows McCarthy to claim success in his first major test as speaker. The agreement won the backing of two-thirds of House Republicans, an important show of confidence for McCarthy, whose narrow GOP majority leaves him vulnerable to challenges from discontented members. But the bill ultimately received more votes from the Democratic minority than the GOP majority, a fact conservative critics will use to argue the speaker made a bad deal. The outcome marked a rare moment of bipartisan accord in a bitterly divided Washington. Biden, who watched the vote on TV, called the House result "good news for the American people and the American economy." Investors already largely judged the danger of a US default past and are shifting attention to other uncertainties more likely to influence growth, such as another possible Federal Reserve interest-rate increase and signs of a weakening Chinese economy. The debt bill would remove the threat of another default crisis for the remainder of Biden's current term, suspending the debt ceiling until Jan. 1, 2025. In exchange, Democrats agreed to cap federal spending into 2025, likely forcing some retrenchment in government services given the current 5% annual inflation rate. The deal now heads to the Senate, where approval is virtually certain and the only question is timing. Senate Republican leader Mitch McConnell said earlier Wednesday that the measure could get a vote as soon as Thursday, days ahead of the June 5 default deadline. During the House debate, both parties took a victory lap. McCarthy called the legislation "a step toward smaller government." House Democratic leader Hakeem Jeffries said his party succeeded in "stopping extreme MAGA Republicans from crashing the economy." Spending restraints in the deal may have a big impact on individuals, notably young college graduates who will have to resume student loan payments and some lower-income Americans hit with benefit restrictions or service cuts. But Morgan Stanley economists estimate the entire package will have "negligible impact" on the overall US economy, likely dampening growth next year by a couple tenths of a percentage point. The hard choices on how to adjust government services are mostly left to Congress to negotiate in separate spending packages due before the Oct. 1 start of the next federal fiscal year. The Congressional Budget Office projects the spending caps will require \$64 billion in cuts next year, though White House officials claim they have a side deal to counteract most of those cuts, effectively amounting to an overall spending freeze. Still, the deal marks a turning point toward reining in government spending after years of record-breaking Covid-related bailouts and two signature Biden initiatives unleashing large government investments in infrastructure and combating climate change.

❖ A gauge of the dollar was range-bound, sandwiched by the passage of US debt-ceiling deal through the House and signals from Federal Reserve officials that they plan to keep interest rates steady in June. The Bloomberg Dollar Spot Index was little changed at 1,245.94, hovering near its highest point since mid-March, which was reached on Wednesday. Lawmakers from both parties joined to approve the US debt-limit bill 314-117 Wednesday, sending the measure to the Senate for consideration as a default deadline draws near. Governor Philip Jefferson, a centrist who's nominated to be vice chair, said Wednesday that skipping an increase would give policymakers time to assess data but not preclude future tightening. The policy-sensitive 2-year US Treasury yield rose two basis points to 4.42%, after slipping more than 15 basis points in the past two days.

### Key Market Levels for the Day

	S3	S2	S1	R1	R2	R3
USDINR Spot	82.3575	82.4575	82.5550	82.6525	82.7525	82.9550



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## Nirmal Bang Securities - Bullion Technical Market Update

### Gold Market Update



Market View	
Open	59912
High	60385
Low	59875
Close	60198
Value Change	200
% Change	0.33
Spread Near-Next	0
Volume (Lots)	6820
Open Interest	15442
Change in OI (%)	3.26%

### Gold - Outlook for the Day

Gold prices are supported at lower levels like \$ 1940-30 and likely to bounce back to \$ 1980; we are recommending going long for a pullback till \$ 1970-80.

**BUY GOLD AUG (MCX) AT 60100 SL 59850 TARGET 60500/60700**

### Silver Market Update



Market View	
Open	71034
High	72250
Low	70905
Close	72102
Value Change	1059
% Change	1.49
Spread Near-Next	0
Volume (Lots)	20164
Open Interest	14285
Change in OI (%)	1.25%

### Silver - Outlook for the Day

Silver looks to take a pullback till \$ 23.70-23.90; we are recommending going long between \$ 23.00-22.90 for the target of \$ 23.90-24.00.

**BUY SILVER JULY (MCX) AT 71700 SL 71200 TARGET 72800/73300**





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## Nirmal Bang Securities - Currency Technical Market Update

### USDINR Market Update



#### Market View

Open	82.78
High	82.8475
Low	82.715
Close	82.825
Value Change	0.045
% Change	0.05
Spread Near-Next	-0.2753
Volume (Lots)	1872285
Open Interest	2641135
Change in OI (%)	-0.53%

### USDINR - Outlook for the Day

USDINR future had a flat opening at 82.78 followed by a session and continued with minimal buying marking high at 82.84. The pair has formed small green candle facing strong resistance placed at 82.90 level. The pair has taken support of 10 days EMA placed at 82.74. On the daily chart by the momentum indicator RSI trailing between 58-65 level, MACD given crossover below zero-line. We are anticipating USDINR May futures to trade in the range of 82.60–82.80 for today.

### Key Market Levels for the Day

	S3	S2	S1	R1	R2	R3
USDINR June	82.5250	82.6225	82.7550	82.8575	82.9725	82.0150



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