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Indian Bullion and Jewellers Associations Ltd. Since 1919

India Bullion And Jewellers Association Ltd. Celebrating 102 Years 1919 - 2022

Daily Bullion Physical Market Report

Date: 13th May 2022

Daily India Spot Market Rates

Description	Purity	AM	PM
Gold	999	51284	51118
Gold	995	51079	50913
Gold	916	46976	46824
Gold	750	38463	38339
Gold	585	30001	29904
Silver	999	60460	59796

*Rate as exclusive of GST as of 12th April 2022 Gold is Rs/10 Gm & Silver in Rs/Kg

Gold and Silver 999 Watch

Date	GOLD*	SILVER*
12th May 2022	51118	59796
11th May 2022	51205	61450
10th May 2022	51496	61473
09th May 2022	51479	61361

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

COMEX Futures Watch

Description	Contract	Close	Change	%Chg
Gold($/oz)	JUNE 22	1824.60	-29.10	-1.57
Silver($/oz)	JULY 22	20.77	-0.80	-3.72

ETF Holdings as on Previous Close

ETFs	Long	Short
SPDR Gold	1,060.82	-5.80
iShares Silver	17,742.64	-172.26

Gold and Silver Fix

Description	LTP
Gold London AM Fix($/oz)	1850.75
Gold London PM Fix($/oz)	1837.05
Silver London Fix($/oz)	20.99

Bullion Futures DGCX

Description	Contract	LTP
Gold($/oz)	JUNE 22	1823.6
Gold Quanto	JUNE 22	50194
Silver($/oz)	JULY 22	20.74

Gold Ratio

Gold Silver Ratio	87.84
Gold Crude Ratio	17.19

Weekly CFTC Positions

	Long	Short	Net
Gold($/oz)	144193	61257	82936
Silver	40664	25403	15261

MCX Indices

Index	Close	Net Change	% Chg
MCX iCOMDEX Bullion	14392.49	-261.63	-1.82%

Weekly CFTC Positions

Time	Country	Event	Forecast	Previous	Impact
13th May 07:30PM	United States	Prelim UoM Consumer Sentiment	64.1	65.2	MEDIUM
13th May 07:30PM	United States	Prelim UoM Inflation Expectations	-	5.4%	LOW
13th May 09:30PM	United States	FOMC Member Mester Speaks	-	-	MEDIUM

Nirmal Bang Securities - Daily Bullion News and Summary

❖ Gold slipped to the lowest in three months as the dollar strengthened after another US inflation report reinforced expectations that the Federal Reserve will maintain its path of aggressive monetary tightening. Prices paid to US producers increased 11% from April of last year and 0.5% from the prior month. The data suggest persistent inflation in the production pipeline will continue to filter through to consumer prices. US stocks fell while the greenback climbed alongside Treasuries, amid investors' lower appetite for risk. Bullion has dropped 11% from a March peak as faster cost pressures fueled expectations that the Federal Reserve will aggressively tighten policy. A rally in the dollar to the highest in two years is also weighing on the precious metal.

❖ Exchange-traded funds cut 194,354 troy ounces of gold from their holdings in the last trading session, bringing this year's net purchases to 7.78 million ounces, according to data compiled by Bloomberg. This was the fifth straight day of declines. The sales were equivalent to $360 million at yesterday's spot price. State Street's SPDR Gold Shares, the biggest precious-metals ETF, pared its holdings by 65,290 ounces in the last session. ETFs added 301,276 troy ounces of silver to their holdings in the last trading session, bringing this year's net purchases to 16.3 million ounces.

❖ Gold's having another miserable week, dragged down by a stronger dollar and steady wave of sales from bullion-backed ETFs. The slump puts the precious metal at risk of slipping below $1,800/oz. Bullion is on course for a fourth weekly loss, the worst run this year. The dollar, by contrast, is headed for its sixth consecutive weekly gain, something it hasn't managed in close to four years. The backdrop is the Fed getting ever more serious about trying to tame rampant US inflation, 10-year Treasury yields approaching 3%, and positive real rates. In this environment, investors are selling holdings in ETFs, a shift that puts downward pressure on prices, which can then prompt further sales. The largest of these, SPDR Gold Shares, has shrunk by more than 12 tons this week.

❖ Federal Reserve Chair Jerome Powell reaffirmed that the central bank is likely to raise interest rates by a half percentage point at each of its next two meetings, while leaving open the possibility it could do more. In an interview with the Marketplace public radio program on Thursday, Powell made clear his determination to get inflation under control but conceded that the Fed's ability to do that without triggering a recession may depend on factors outside its control. "If the economy performs about as expected," Powell said, "it would be appropriate for there to be additional 50-basis point increases at the next two meetings." Asked if he was taking a larger 75 basis-point increase off the table, he restated his comment from a May 4 press conference that the Fed wasn't "actively considering" such a move, according to a transcript of the interview released by Marketplace. But he added, "If things come in better than we expect, then we're prepared to do less. If they come in worse than when we expect, then we're prepared to do more." Powell's latest comments come on the day that the Senate confirmed him in a bipartisan 80-19 vote to another four-year term at the helm of the US central bank. While his political support is broad, the Fed has been criticized by some investors and former officials for being slow to confront rising prices stoked by pent-up demand and pandemic-induced supply-chain tangles.

❖ Federal Reserve Bank of San Francisco President Mary Daly backed raising interest rates by a half-percentage point at each of the central bank's next two meetings, adding that she'd like to see financial conditions tighten further. "Going up in 50-basis-point increments to me makes quite a bit of sense and there's no reason right now that I see in the economy to pause on doing that in the next couple of meetings," Daly said in an interview Thursday with Bloomberg News. She added that a 75-basis-point increase, which has been the subject of speculation as an option to curb surging inflation, is "not a primary consideration." Daly is not a voter this year on the policy-setting Federal Open Market Committee. Policy makers increased the federal funds target rate by half a percentage point, to a range of 0.75% to 1%, at their meeting earlier this month. It was the first hike of that size since 2000 as the Fed fights to tamp down the biggest increases in consumer prices in 40 years.

❖ **Fundamental Outlook:** Gold and silver prices are trading flat today on international bourses. We expect precious metals prices on Indian bourses to trade mix for the day. We recommend selling on rise in gold and buy on dips in silver in intra-day trading sessions in precious metals as investors favored the dollar as a store of value amid accelerating inflation and expectations for aggressive monetary tightening.

Key Market Levels for the Day

Time	Month	S3	S2	S1	R1	R2	R3
Gold – COMEX	June	1790	1820	1840	1870	1888	1910
Silver – COMEX	July	20.30	20.55	20.80	21.20	21.45	21.70
Gold – MCX	June	49750	50000	50200	50500	50700	50950
Silver – MCX	July	57400	58000	58600	59300	59800	60350

Nirmal Bang Securities - Daily Currency Market Update

Dollar Index

LTP/Close	Change	% Change
104.85	1.01	0.97

Bond Yield

10 YR Bonds	LTP	Change
United States	2.8479	-0.0728
Europe	0.8370	-0.1460
Japan	0.2480	0.0000
India	7.2440	0.0290

Emerging Market Currency

Currency	LTP	Change
Brazil Real	5.1348	-0.003
South Korea Won	1288.5	13.2000
Russia Rubble	118.6895	-
Chinese Yuan	6.7863	0.0646
Vietnam Dong	23087	94
Mexican Peso	20.2479	-0.0661

NSE Currency Market Watch

Currency	LTP	Change
NDF	77.67	-0.08
USDINR	77.5375	0.125
JPYINR	60.3375	0.625
GBPINR	94.7	-0.85
EURINR	80.9625	-0.775
USDJPY	128.51	-1.14
GBPUSD	1.2216	-0.0127
EURUSD	1.0449	-0.011

Market Summary and News

❖ US consumer prices rose by more than forecast in April; indicating inflation will persist at elevated levels for longer and keeping the Federal Reserve on the path of aggressive interest-rate hikes. The core consumer price index, which excludes food and energy, increased 0.6% from a month earlier and 6.2% from April 2021. The broader CPI rose 0.3% from the prior month and 8.3% on an annual basis, a slight cooling but still among the highest readings in decades. Some of the largest contributors to the monthly increase included shelter, food, airfares and new vehicles. Markets are factoring in bets for the path of Fed moves, increasingly betting on a fourth straight half-point rate hike in September. However, the peak of inflation may be behind us, but CPI report points to a long, slow descent or maybe even a plateau around 8%. While the latest report shows that US inflation has likely peaked, the figures underscore the breadth of price increases in the economy and, when combined with firm wage growth, suggest high inflation will persist for some time. Despite the Fed raising interest rates, including the biggest rate hike since 2000 last week, global headwinds like China's lockdowns and resilient services' demand may mean a slow road to the central bank's 2% goal. Fed Chair Jerome Powell signaled last week that officials are open to several half-point increases in the central bank's benchmark rate in the months ahead. The CPI will help shape estimates for the April personal consumption expenditures price index, the Fed's preferred inflation gauge, which will be released on May 27.

❖ The Bank of England will have to raise interest rates further to control surging prices, and there's a risk that the UK's worst inflation crisis in decades will take longer to ease fully, according to Deputy Governor Dave Ramsden. The comments mark yet another warning to households already struggling with a dramatic cost-of-living squeeze that's eroding incomes and pushing more people into poverty. In an interview, Ramsden said the jobs market could prove stronger than the BOE anticipates, feeding more persistent price gains. Inflation is already at 7%, and likely to top 10% later this year. But dealing with the price surge is being complicated by a deteriorating economic outlook. Figures Thursday showed the UK economy unexpectedly shrank in March as consumers cut back on spending. For now, the BOE's focus is on inflation. It hiked rates to 1% last week a fourth straight increase and there's more ahead. "Certainly on the basis of my current assessment of prospects, we're not there yet in terms of how far monetary policy has to tighten. I'm still very, very supportive of the forward guidance that there may well need to be further tightening in the coming months," Ramsden said. While Ramsden declined to comment on market expectations that show rates hitting 2.5% by the middle of 2023, he said that investors, like him, were concerned about inflation staying higher than anticipated. The war in Ukraine has added additional uncertainty to the outlook for both inflation and growth. Ramsden said the BOE's next meeting in June would be a chance to assess the situation, but that he wasn't offering a prediction on how he would vote. Ramsden dismissed the idea that the BOE was talking down the economy with gloomy forecasts that would a make a recession a self-fulfilling prophecy.

❖ European Central Bank President Christine Lagarde said a first interest-rate increase in more than a decade may follow "weeks" after net bond-buying ends early next quarter, joining a growing crowd of policy makers signaling a move as soon as July. "The first rate hike, informed by the ECB's forward guidance on the interest rates, will take place some time after the end of net asset purchases," Lagarde said Wednesday. "We have not yet precisely defined the notion of 'some time,' but I have been very clear that this could mean a period of only a few weeks," she said in a speech in Ljubljana, Slovenia, advocating a "gradual" normalization of monetary policy after the initial increase. Faced with record inflation that's almost four times the ECB's 2% goal, Lagarde's ECB colleagues are increasingly pushing publicly for a hike at the July 20-21 meeting. While the Federal Reserve and the Bank of England are well under way with policy tightening, the ECB hasn't raised borrowing costs since 2011. Its deposit rate has been negative since 2014. Despite the war in Ukraine raising the specter of stagflation in Europe, money markets are fully pricing quarter-point increases from the ECB in its July and September decisions, with a further hike by year-end. Traders are betting the deposit rate will peak at 1.5% in about two years' time.

Key Market Levels for the Day

	S3	S2	S1	R1	R2	R3
USDINR Spot	77.0000	77.1500	77.3000	77.6500	77.7800	77.9500

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Nirmal Bang Securities - Bullion Technical Market Update

Gold Market Update

Market View	
Open	50939
High	50946
Low	50140
Close	50174
Value Change	-648
% Change	-1.28
Spread Near-Next	239
Volume (Lots)	7242
Open Interest	7482
Change in OI (%)	-4.68%

Gold - Outlook for the Day

We are recommending to go long in gold since prices are nearing its support zone of 1800 levels. Buy on dips 1800-1790 for target 1850-60.

SELL GOLD JUNE (MCX) AT 50500 SL 50700 TARGET 50200/50000

Silver Market Update

Market View	
Open	60550
High	60655
Low	58611
Close	58751
Value Change	-2001
% Change	-3.29
Spread Near-Next	0
Volume (Lots)	19791
Open Interest	18289
Change in OI (%)	13.82%

Silver - Outlook for the Day

Silver too supportive around 20.70-60 ,where you can buy for target 21.30-40.

BUY SILVER JULY (MCX) AT 58600 SL 58000 TARGET 59300/59800

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Nirmal Bang Securities - Currency Technical Market Update

USDINR Market Update

Market View	
Open	77.52
High	77.73
Low	77.45
Close	77.5375
Value Change	0.125
% Change	0.16
Spread Near-Next	0
Volume (Lots)	4650998
Open Interest	4698019
Change in OI (%)	8.93%

USDINR - Outlook for the Day

USDINR witnessed a positive open at 77.52 followed by testing the highs of 77.73. The pair gave a flat closure at 77.45 towards the end of the session. USDINR has formed a flat green candle with sideways closure indicating that the bullish run could be peaking out. The pair has given closure above short, medium and long term moving average supporting the green momentum USDINR, if trades below 77.48, the momentum will trade on a weaker note towards 77.25 – 77. But momentum above 77.68 would lead momentum towards 77.95. The daily strength indicator RSI and momentum oscillator Stochastic both are in the positive zone indicating supportive for the pair.

Key Market Levels for the Day

	S3	S2	S1	R1	R2	R3
USDINR May	77.0000	77.2500	77.4500	77.6800	77.8800	78.0000

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