

Daily Bullion Physical Market Report

Date: 15th March 2024

Daily India Spot Market Rates

Description	Purity	AM	PM
Gold	999	65467	65523
Gold	995	65205	65261
Gold	916	59968	60019
Gold	750	49100	49142
Gold	585	38298	38331
Silver	999	73576	73781

Rate as exclusive of GST as of 14th March 2024 Gold is Rs/10 Gm & Silver in Rs/Kg

Gold and Silver 999 Watch

Date	GOLD*	SILVER*
14 th March 2024	65523	73781
13 th March 2024	65335	72469
12 th March 2024	65566	72675
11 th March 2024	65646	72547

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

COMEX Futures Watch

Description	Contract	Close	Change	%Chg
Gold(\$/oz)	APR 24	2167.50	-13.30	-0.61
Silver(\$/oz)	MAY 24	25.06	-0.10	-0.38

ETF Holdings as on Previous Close

ETFs	In Tonnes	Net Change
SPDR Gold	815.13	0.00
iShares Silver	13,028.40	0.00

Gold and Silver Fix

Description	LTP
Gold London AM Fix(\$/oz)	2169.80
Gold London PM Fix(\$/oz)	2160.80
Silver London Fix(\$/oz)	24.97

Bullion Futures DGCX

Description	Contract	LTP
Gold(\$/oz)	APR. 24	2166.5
Gold Quanto	APR. 24	65615
Silver(\$/oz)	MAY. 24	25.04

Gold Ratio

Description	LTP
Gold Silver Ratio	86.49
Gold Crude Ratio	26.67

Weekly CFTC Positions

	Long	Short	Net
Gold(\$/oz)	164640	33580	131060
Silver	41049	25519	15530

MCX Indices

Index	Close	Net Change	% Chg
MCX iCOMDEX Bullion	16819.36	-53.90	-0.32 %

Macro-Economic Indicators

Time	Country	Event	Forecast	Previous	Impact
15th March 06:00 PM	United States	Empire State Manufacturing Index	-7.0	-2.4	High
15th March 06:00 PM	United States	Import Prices m/m	0.3%	0.8%	Low
15th March 06:45 PM	United States	Industrial Production m/m	0.0%	-0.1%	Medium
15th March 06:45 PM	United States	Capacity Utilization Rate	78.5%	78.5%	Low
15th March 07:30 PM	United States	Prelim UoM Consumer Sentiment	77.1	76.9	High

Nirmal Bang Securities - Daily Bullion News and Summary

❖ Gold slipped after new economic data reinforced expectations that the Federal Reserve will be cautious when it comes to lowering borrowing costs. Prices paid to US producers rose in February by the most in six months, driven by higher fuel and food costs that add to evidence inflation remains elevated. The producer price index for final demand increased 0.6% from January, Labor Department data showed Thursday. The measure rose 1.6% from a year earlier, the largest annual advance since September. Meanwhile, US retail sales rose by less than forecast after a steep drop to start the year. Treasury yields and the dollar whipsawed following the data reports, and bullion for immediate delivery fell as much as 0.7% to \$2,158.63 an ounce. The PPI readings plus the consumer price index released earlier this week signal that inflation remains sticky. That makes for a bumpy road ahead for the Fed and its 2% inflation target. Policymakers have said they needed to see more evidence that inflation is headed toward that level before cutting rates. Investors typically start buying gold ahead of rate cuts, since non-yielding assets, like gold and silver, tend to perform well in lower-rate environments.

❖ Gold broke record upon record in recent sessions, driven higher by strong demand from central banks and traders in the US futures market. The rally has failed to capture the imagination of the wider investment community, based on ETF flows and disinterest in silver. Typically, when gold rallies get going, they go big. That's because gold is a Veblen good -- meaning that as prices rise, more gets written about it, more investors become aware of the momentum, and more money is allocated to it. Right up until the minute when "the greatest fool" becomes the last one to bet on it, and the parabolic rally collapses. The up-phase of that well-trodden narrative usually has two defining features. First, ETF holdings start to rise. And second, silver, which garners momentum by association, outperforms. Neither of these things have happened. The easy explanation for this is that gold faces rather tough competition for a place in investor attention as the hot momentum trade of the season, namely from Bitcoin and Nvidia. But colleague Marcus Ashworth argues that fundamental conditions are supportive of higher gold prices. He suggests that the dollar, inflation expectations and interest-rate forecasts are among those factors.

❖ Turkey's gold imports declined for the fourth straight month as government restrictions meant to shore up external finances squeeze supply, even in the face of soaring domestic demand. Shipments fell in February to 11.2 tons, data from Borsa Istanbul shows, compared with the monthly average of 26.6 tons in 2023. It's the longest streak of declines since 2021. A state-imposed quota introduced in August is behind the drop, according to two gold traders who spoke on condition of anonymity because they weren't authorized to speak with the media. It's exacerbating already strong demand inside the country amid high inflation and uncertainty over local elections scheduled for March 31, they said. That's reflected in the disparity between the local and international markets, with the lira price for an ounce of gold climbing 15% this year, almost triple the dollar equivalent, according to data compiled by Bloomberg. "Jewelers can only access some of the monthly gold imports, and the actual demand is higher than that," said Burak Yakin, chairman of the Turkish Jewellery Exporters Association. Bullion hit a record in London last week following a rally spurred by central bank buying and expectations that the US Federal Reserve will cut interest rates. Turks use gold to protect their savings against price increases and to gift at ceremonial events, including weddings. It's also used to pay rent by some merchants at Istanbul's Grand Bazaar, one of the world's oldest covered markets. Turkish demand for bars and coins soared 88% in 2023, while demand for jewelry jumped 14%, according to World Gold Council data. An aggressive cycle of monetary policy tightening since June has pushed bank deposit rates higher, but they're still not attractive enough to significantly dent gold's appeal for households.

❖ Fresh data on inflation and unemployment filings gave Federal Reserve officials more reasons to hold off on cutting interest rates, even as retail sales suggested a slowdown in consumer spending. Prices paid to US producers topped forecasts in February, and fewer people applied for and received jobless benefits than previously thought, according to separate reports Thursday. That followed data earlier in the week that showed underlying consumer prices also rose at a brisk pace last month. While another release indicated a weaker start to the year in consumer spending, the strength in the inflation and labor data support policymakers' view that they need to see more progress before lowering borrowing costs. Fed officials, who have a dual mandate to maintain price stability and maximum employment, are widely expected to leave rates unchanged at a two-decade high for a fifth month at next week's meeting. "When the Fed is contemplating a series of rate cuts and is confronted by suddenly slower economic growth and suddenly brisker inflation, they will respond to the new news on the inflation side every time," Chris Low and Mark Streiber of FHN Financial said in a note. "As long as wholesale inflation has stabilized or shifts higher and retail inflationary pressures continue, the Fed pause will stretch on." Inflation has largely been retreating for the past year or so, driven especially by falling prices for goods and energy. But the latest consumer and producer price indexes from the Bureau of Labor Statistics suggest that progress that is stalling, or possibly even reversing. So-called core consumer goods prices — which exclude food and energy — rose for the first time since May, while a similar measure at the wholesale level posted the biggest back-to-back increase in a year. Rising energy costs were a major factor in the outside readings in both the headline CPI and PPI, which came in above forecast in January as well. Prices of used cars and clothing both increased last month after falling in January. Key components from the CPI and PPI readings that are used to calculate the personal consumption expenditures price index — the Fed's preferred inflation metric — suggest the February PCE will come in strong again when released later this month, following a robust January print.

Fundamental Outlook: Gold and silver prices are trading mix today on the international bourses. We expect gold and silver prices to trade range-bound for the day, as gold prices headed for its first weekly loss in four after a series of hot inflation readings pushed back expectations for when the Federal Reserve will cut interest rates.

Key Market Levels for the Day

Time	Month	S3	S2	S1	R1	R2	R3
Gold – COMEX	Apr	2130	2145	2160	2175	2195	2210
Silver – COMEX	May	24.65	24.85	25.00	25.15	25.35	25.50
Gold – MCX	Apr	65000	65300	65500	65800	66000	66250
Silver – MCX	May	73700	74200	74700	75300	76000	76600

Nirmal Bang Securities - Daily Currency Market Update

Dollar Index

LTP/Close	Change	% Change
103.36	0.57	0.56

Bond Yield

10 YR Bonds	LTP	Change
United States	4.2903	0.1004
Europe	2.4240	0.0590
Japan	0.7770	0.0100
India	7.0400	0.0000

Emerging Market Currency

Currency	LTP	Change
Brazil Real	4.9898	0.0178
South Korea Won	1317.75	3.4000
Russia Rubble	91.5279	0.1779
Chinese Yuan	7.1943	0.0075
Vietnam Dong	24700	30
Mexican Peso	16.7011	0.0346

NSE Currency Market Watch

Currency	LTP	Change
NDF	83.05	-0.01
USDINR	82.8625	0
JPYINR	56.2225	0.0625
GBPINR	106.125	0.1525
EURINR	90.66	0.0375
USDJPY	147.51	-0.16
GBPUSD	1.2803	0.0012
EURUSD	1.0942	0.0003

Market Summary and News

❖ Indian bonds may open lower along with most emerging Asian peers, weighed by an overnight spike in US Treasury yields. Traders will also assess the impact of a reduction in local oil prices on inflation. 10-year yields were steady at 7.04% on Thursday. The state-run companies, controlling about 90% of the market, will cut diesel and gasoline prices by 2 rupees (2 cents) per liter each, India's Oil Minister Hardeep Singh Puri said in a post on X. USD/INR little changed at 82.8250. Implied opening from forwards suggest spot may start trading around 82.93. Global Funds Sell Net 13.6B Rupees of India Stocks March 14: NSE They sold 7.21 billion rupees of sovereign bonds under limits available to foreign investors, and added 1.57 billion rupees of corporate debt. State-run banks bought 59.9 million rupees of sovereign bonds on March 13: CCIL data. Foreign banks bought 10.4 billion rupees of bonds.

❖ The greenback is on pace for its biggest gain in a month as Treasury yields jump following an above-forecast producer inflation print and unexpected drop in jobless claims, reinforcing expectations that the Federal Reserve will slow-walk rate cuts this year. The yen bounced briefly following a Jiji press report that the Bank of Japan is poised to end its negative rate policy at its March meeting. The Bloomberg Dollar Spot Index rises 0.4% to a one-week high; the index rise is partly influenced by weaker MXN and CNH and corporate hedging activity; Swedish krona lags G-10 peers. The 10-year Treasury note is up 10 basis point to 4.29%; Prices paid to US producers rose in February by the most in six months, driven by higher fuel and food costs that add to evidence inflation remains elevated. Retail sales for February missed forecasts while weekly jobless claims unexpectedly dipped. The Federal Reserve Bank of Atlanta's GDPNow index suggests U.S. gross domestic product will expand 2.34% in the first quarter vs 2.54% in its previous release on March 7. Jump in yields is accompanied by a 2% rise in WTI oil after the International Energy Agency warned of a supply deficit throughout the year. Volatility rises amid an increase in hedging activity. USD/JPY rises a third day for the first time in two months; it rose as much as 0.4% to 148.36 and bearish risk reversals eased. Overnight yen volatility is 9%; Rengo, Japan's largest umbrella group for labor unions, is likely to disclose data on Friday that will show a wage increase of around 5.1% in its first round of negotiations, economists including Uichiro Nozaki at Nomura Securities wrote in a report. EUR/USD drops as much as 0.6% to 1.0881, biggest drop in a month even as leveraged bids slow the decline; additional purchases are near 1.0850, according to traders in Europe. ECB Governing Council member Yannis Stournaras said the central bank must lower borrowing costs twice before its August summer break and two more times before the end of the year. Governing Council member Klaas Knot said he's leaning toward June for the ECB to begin lowering borrowing costs, though stressed that it's premature to say inflation has been defeated. The risk-sensitive SEK slips over 1% versus the greenback amid lower US share prices; Risk reversals shift toward puts amid an uptick in hedging activity. GBP/USD falls 0.4% to 1.2746. The pound was buoyed earlier by a report that Britain's housing market picked up in February. USD/CAD rises 0.5% to 1.3538 amid a rise in option activity and after a report that Canadian manufacturing sales rose less than forecast in January; pair tops \$2.4b of options expiring Friday at 1.3480-1.3490 with more stationed at 1.3535. AUD/USD drops 0.7% to 0.6575.

❖ Emerging-market stocks gave back their gains on Thursday as higher Treasury yields and a stronger dollar curbed developing nation assets. Prices paid to US producers rose in February by the most in six months, driven by higher fuel and food costs. Data offer more reasons for Federal Reserve officials to take a less dovish approach to interest rate policy at next week's meeting. MSCI's benchmark for EM equities pared its earlier gains and ended the day little changed. A sub-index for Latin American stocks similarly erased its gains for the day and closed 0.2% lower. A gauge of Indian small cap stocks rebounds after a correction that erased \$80 billion of shareholder wealth. The MSCI EM currency index closed down 0.2%; the dollar advanced.

Key Market Levels for the Day

	S3	S2	S1	R1	R2	R3
USDINR Spot	82.7225	82.8075	82.8655	82.9575	83.0550	83.1575

Nirmal Bang Securities - Bullion Technical Market Update

Gold Market Update



Market View	
Open	65800
High	65843
Low	65434
Close	65595
Value Change	-302
% Change	-0.46
Spread Near-Next	407
Volume (Lots)	3782
Open Interest	15148
Change in OI (%)	-5.66%

Gold - Outlook for the Day

BUY GOLD APR (MCX) AT 65500 SL 65300 TARGET 65800/66000

Silver Market Update



Market View	
Open	75349
High	75641
Low	74940
Close	75226
Value Change	56
% Change	0.07
Spread Near-Next	1306
Volume (Lots)	10611
Open Interest	25228
Change in OI (%)	1.25%

Silver - Outlook for the Day

BUY SILVER MAY (MCX) AT 74700 SL 74200 TARGET 75500/76000

Nirmal Bang Securities - Currency Technical Market Update

USDINR Market Update



Market View	
Open	82.8575
High	82.91
Low	82.835
Close	82.8625
Value Change	0
% Change	0
Spread Near-Next	0.3703
Volume (Lots)	1549930
Open Interest	2944923
Change in OI (%)	-3.97%

USDINR - Outlook for the Day

The USDINR future witnessed a flat opening at 82.85, which was followed by a session that showed consolidation with positive buyer with candle closures near high. A green candle formed by the USDINR price having resistance of 20-days moving average placed at 82.92. On the daily chart, the MACD showed a negative crossover below the zero-line, while the momentum indicator, RSI has trailing between 38-43 levels. We are anticipating that the price of USDINR futures will fluctuate today between 82.80 and 82.95.

Key Market Levels for the Day

	S3	S2	S1	R1	R2	R3
USDINR March	82.7025	82.7575	82.8075	82.9275	82.9725	83.0575

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