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India Bullion and Jewellers Associations Ltd. Since 1919

India Bullion And Jewellers Association Ltd. Celebrating 103 Years 1919 - 2022

Daily Bullion Physical Market Report

Date: 21st September 2022

Daily India Spot Market Rates

Description	Purity	AM	PM
Gold	999	49460	49368
Gold	995	49262	49170
Gold	916	45305	45221
Gold	750	37095	37026
Gold	585	28934	28880
Silver	999	56450	56354

*Rate as exclusive of GST as of 20th September 2022 Gold is Rs/10 Gm & Silver in Rs/Kg

Gold and Silver 999 Watch

Date	GOLD*	SILVER*
20th September 2022	49368	56354
19th September 2022	49320	56354
16th September 2022	49341	55144
15th September 2022	49926	56330

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

COMEX Futures Watch

Description	Contract	Close	Change	%Chg
Gold($/oz)	DEC 22	1671.10	-7.10	-0.42
Silver($/oz)	DEC 22	19.18	-0.18	-0.90

ETF Holdings as on Previous Close

ETFs	Long	Short
SPDR Gold	953.32	-4.63
iShares Silver	14,905.20	45.86

Gold and Silver Fix

Description	LTP
Gold London AM Fix($/oz)	1667.90
Gold London PM Fix($/oz)	1664.15
Silver London Fix($/oz)	19.32

Bullion Futures DGCX

Description	Contract	LTP
Gold($/oz)	OCT. 22	1664.1
Gold Quanto	OCT. 22	49195
Silver($/oz)	DEC. 22	19.27

Gold Ratio

Description	LTP
Gold Silver Ratio	87.11
Gold Crude Ratio	19.91

Weekly CFTC Positions

	Long	Short	Net
Gold($/oz)	90604	100736	-10132
Silver	38931	46390	-7459

MCX Indices

Index	Close	Net Change	% Chg
MCX iCOMDEX Bullion	13671.22	-47.27	-0.35 %

Macro-Economic Indicators

Time	Country	Event	Forecast	Previous	Impact
21st September 07:30pm	United States	Existing Home Sales	4.69 M	4.81 M	Medium
21st September 11:30pm	United States	FOMC Statement	-	-	High
21st September 11:30pm	United States	Federal Funds Rate	3.25 %	2.50 %	High
22nd September 12:00am	United States	FOMC Press Conference	-	-	High

Exchange-traded funds cut 108,388 troy ounces of gold from their holdings in the last trading session, bringing this year's

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Nirmal Bang Securities - Daily Bullion News and Summary

❖ Gold fell to approach the lowest level in more than two years as the dollar strengthened, with investors attempting to price the precious metal ahead of the Federal Reserve's expected interest-rate hike on Wednesday. The greenback rose Tuesday alongside inflation-adjusted Treasury yields, putting additional pressure on bullion. The metal extended its drop after plunging below the $1,700-an-ounce mark last week following hot inflation data that spurred some bets on a 100 basis point rate hike by the Fed. Most economists see the US central bank opting for a 75 basis point increase, which will have been largely priced in by bullion traders. Other central banks, including the Bank of England, also make rate decisions this week. Investors continue to pare back their gold positions, with exchange-traded fund holdings down to the lowest since Jan. 20. Physical buying from China appears strong, with total imports of non-monetary gold last month jumping to the highest since June 2018, according to data from the country's customs administration. Additionally, a significant price disparity remains between gold futures and physical sales, with futures traders more reactive to the market dip.

❖ Switzerland's imports of Russian gold surged to the highest in more than two years, a sign that more old bullion from the country may be being remelted to make it easier to sell. About 5.7 tons -- worth $324 million -- of Russian metal was imported by the refining hub in August, according to data from the Swiss Federal Customs Administration. That's the most since April 2020. The shipment was Russian metal that arrived from the UK, the customs administration said in a statement on Tuesday. Swiss customs data show the last place the precious metal was refined, rather than where it was last shipped from. Russia's gold has become taboo since the country invaded Ukraine earlier in the year. New Russian gold has been sanctioned by the US, EU and Switzerland, but bars exported from the country before Aug 4. are not subject to the import ban, the customs authority said Tuesday. Some investors with old Russian gold bars may wish to remelt them at Swiss refineries to make them easier to sell. Though the country's bullion minted before the war can still be traded in most major centers, including London and Zurich, there's a stigma around it. Russia -- the world's second-biggest gold miner globally -- was previously a major supplier of new bullion to the UK market. China is still importing Russian gold, though the quantities remain relatively low. The country bought 0.3 tons of the precious metal from Russia in August, a small fraction of its total monthly imports of 182 tons.

❖ Gold Fields Ltd.'s top executive said disquiet over the South African miner's $7 billion offer to buy Canada's Yamana Gold Inc. hasn't resulted in an exodus among its top shareholders. The top Gold Fields investors are sticking around even after some shareholders initially expressed concerns that the Johannesburg-based company was overpaying to buy Yamana, Chief Executive Officer Chris Griffith said Tuesday in an interview. The CEO previously acknowledged that some investors initially balked at the 34% premium Gold Fields initially offered to investors of the Toronto-based miner along with the subsequent share dilution. "There hasn't been a major exodus of our top shareholders," Griffith said while attending the Denver Gold Forum. "We have seen some shareholders sell on a bit but others increase. But mostly our top 10 shareholders have remained fairly constant -- that does give us a sense of comfort around our shareholders supporting the deal." Gold Fields offered 0.6 of a share for each Yamana share in its initial proposal in May, and in July the company announced a more generous dividend policy to convince investors to support the deal. The deal currently values Yamana's stock at C$6.01, representing a 6.7% premium to Tuesday's closing price, according to data compiled by Bloomberg.

❖ Not even the most hawkish Federal Reserve in decades can beat down the exuberance of gold enthusiasts at the industry's biggest annual gathering. Bullion prices will reach $1,806.10 an ounce by year end, according to the average estimate in a survey of 10 participants at the Denver Gold Forum, the yearly meetup of mining executives, investors, bankers and analysts. The forecast is 7.8% above Monday's spot closing price. The last time gold settled that high was at the beginning of July. "You'll continue to see investment globally interested in owning gold strategically" including from central banks, World Gold Council's Joseph Cavatoni said in an interview at the 34th annual event. "Plus the geopolitical risks are going to keep it front and center, on the mind of every investor." Still, Cavatoni predicts "a bumpy ride" between now and the end of the year, with gold fluctuating until central banks around the world give more clarity on their fight against inflation. Bullion had held above $1,700 an ounce for most of September, but tumbled last week after breaking through a key support level that has held since 2020. The selloff came amid investor jitters across the financial markets that the Fed will likely to raise interest rates by at least 75 basis points Wednesday and that an even bigger increase could lead to more volatility across all asset classes.

❖ European Central Bank President Christine Lagarde said borrowing costs will rise more in the months ahead, even after officials front-loaded initial moves in what she called "the fastest change in rates in our history." "We have taken major steps along the path of normalizing our monetary policy, front-loading our rate increases," Lagarde said in a speech Tuesday evening in Frankfurt. "We expect to raise interest rates further over the next several meetings." ECB officials are hotly debating their next steps after following the Federal Reserve's example with a three-quarter-point rate hike this month. While they agree that further action is needed to wrest control of record inflation, there's some discord over what level of aggression is appropriate as soaring energy costs tip Europe toward a recession. Speaking earlier Tuesday, Estonian central bank chief Madis Muller urged "sufficiently robust and decisive" action from the ECB, saying rates remain far from levels that would restrict economic expansion. ECB Vice President Luis de Guindos said Monday that a slowdown in growth isn't sufficient on its own to curb prices. Lagarde reiterated that the ECB will take decisions on a meeting-by-meeting basis, and that any action will hinge on incoming economic data. "Where rates ultimately settle, and the size of the steps that we move in, will depend on how the inflation outlook evolves as we proceed," she said.

❖ Traders are rapidly dialing up rate-hike wagers for the UK, betting the Bank of England will deliver two outsized increases by the end of the year to quell rampant inflation stoked by surging energy prices. Money markets have priced in 200 basis points of hikes over the next three decisions, implying the BOE will raise rates by three-quarter points at two of those meetings. The first such move could come as early as this week, with traders placing around a 60% chance of a 75 basis-point increase on Thursday. That would be the bank's largest increase since 1989, when it jacked up borrowing costs by a full percentage point. The scale of tightening priced suggests traders expect the key rate will rise to 3.75% by year-end and 4.5% as soon as March, around 80 basis points more that what was expected a month ago. The repricing comes as central banks including the European Central Bank and the Federal Reserve ratchet up the size of their rate hikes, front-loading tightening to keep a lid on inflation expectations. Sweden's Riksbank Tuesday unexpectedly raised rates by one percentage point, its most aggressive tightening in almost three decades of inflation targeting. The Global Race to Hike Rates Tilts Economies Toward Recession Fears that Russia will continue to curb gas supplies have driven a surge in energy prices across Europe, with benchmark gas in the region trading six times its historical average.

❖ **Fundamental Outlook:** Gold and silver prices are trading slightly positive on international bourses. We expect precious metals prices on Indian bourses to trade slightly lower to higher for the day. We recommend buy on dips in gold and silver in intra-day trading sessions as traders braced for another hefty interest rate hike by the Federal Reserve.

Key Market Levels for the Day

Time	Month	S3	S2	S1	R1	R2	R3
Gold – COMEX	December	1650	1675	1695	1725	1755	1780
Silver – COMEX	December	18.25	18.45	18.70	18.95	19.20	19.50
Gold – MCX	October	49650	49800	50000	50250	50400	50650
Silver – MCX	December	55200	55800	56200	56800	57100	57600

Nirmal Bang Securities - Daily Currency Market Update

Dollar Index

LTP/Close	Change	% Change
110.22	0.48	0.44

Bond Yield

10 YR Bonds	LTP	Change
United States	3.5630	-0.0157
Europe	1.9230	0.1210
Japan	0.2560	0.0050
India	7.2640	0.0290

Emerging Market Currency

Currency	LTP	Change
Brazil Real	5.1433	-0.0258
South Korea Won	1389.7	4.2500
Russia Rubble	61.4087	0.1371
Chinese Yuan	7.0183	0.0243
Vietnam Dong	23668	10
Mexican Peso	19.9994	-0.0037

NSE Currency Market Watch

Currency	LTP	Change
NDF	80.03	0.04
USDINR	79.7725	-0.05
JPYINR	55.675	-0.065
GBPINR	91.3375	0.4
EURINR	79.885	0.0675
USDJPY	143.36	0.05
GBPUSD	1.1444	0.0051
EURUSD	1.0016	0.0014

Market Summary and News

❖ The FOMC is set to raise interest rates by 75 basis points at its Sept. 20-21 meeting, a third straight hike of that size. A bleak global economic outlook, led by worries over China and Europe, will likely keep the central bank from a more aggressive 100-bp move. For Chair Jerome Powell, the most important task more important than calibrating the exact size of the hike is to signal that the FOMC is committed to keeping rates high for as long as inflation is above-target. The totality of the data viz. a tight labor market, elevated core inflation, and emerging signs that rising wages and prices are feeding off each other argues for a sizable hike. Expect policy makers will opt for another 75-bp move, raising the fed funds rates to a range of 3.0%-3.25%. The committee won't hike by 100 bps for two reasons viz. Risks of a global downturn led by Europe and China have grown, and the long and variable lags involved in monetary policy commonly thought to be about 12-18 months mean substantial tightening is already in the pipeline.

❖ The pound was supported by growing speculation that the Bank of England may raise interest rates by 75 basis points later this week. Markets are also anticipating a speech by the UK's finance minister, who is expected to outline details for a big spending plan to help households through an energy crisis in the coming months. Markets are discounting a 50 basis point rate rise when the BOE meets on Thursday, while traders are placing around a 60% chance of a 75 basis point hike. Still, expect a hefty BOE rate rise may have limited impact on the pound, as expect the government will borrow heavily to fund a cap in energy prices paid by households over the next two years. This could lead to a further deterioration of the country's current account deficit, which could deter foreign investment into the country. Normally loose fiscal and tight monetary policy would be good for the pound. However, it seems that foreign investors are concerned as to how government support will be financed with the fear that this will largely come through an additional supply of UK Gilts. A difficult external environment and concerns as to how a government spending spree will be financed leave sterling vulnerable. Cable can easily sink back to 1.1350 and should remain offered this month.

❖ The Bank of Japan's outlier status is set to become even more acute this week with central banks from the Federal Reserve to the Swiss National Bank expected to raise borrowing costs. Bank of Japan Governor Haruhiko Kuroda and his fellow board members are seen standing pat at the end of a two-day meeting Thursday that comes just hours after the Fed unleashes what's likely to be a third-straight interest rate hike of 75 basis points. With the BOJ likely to be clinging to the world's only negative policy rate, its dovish stance may send the embattled yen sliding again. Authorities in Tokyo ramped up their warnings against the rapid yen moves after it flirted with 24-year-lows against the dollar last week. The country's finance minister indicated that direct intervention is among the options on the table and, if needed, it will come swiftly and without warning. The governor has said a rapid weakening of the yen is undesirable. But even after the yen hit 144.99 earlier this month, the BOJ continues to hold the view that a weak yen is positive for the economy overall if it's stable. Even if the BOJ tried to tweak policy in response to the yen, it would be largely futile, Kuroda has indicated. Massive hikes would be necessary to stop the yen's slide and that would end up breaking the economy in the middle of a pandemic. Rate raises to normalize policy can only come with sustainable inflation and for that Japan needs robust wage growth.

❖ India's intervention to protect the rupee is running down currency reserves. Indian Rupee has dropped about 6.8% against the greenback in 2022, which is a much smaller loss than that of most of its peers. The central bank might need to be careful in deploying further foreign exchange reserves have declined by $90 billion from their September 2021 peak of $641 billion -- a drop of 13.9%, according to RBI data. The drop in the two years a decade ago was 14.3%. Thus in the near future, Falling FX reserves, persistently-high commodity prices will likely tilt the balance towards a less interventionist FX policy. forecast India's current account deficit to reach 3.9% of gross domestic product in the fiscal year through March, versus 1.2% last year. This would be expected to weigh on the rupee and increase pressure on the RBI to intervene to reduce the sharpness of declines.

Key Market Levels for the Day

	S3	S2	S1	R1	R2	R3
USDINR Spot	79.2000	79.4000	79.5500	79.8800	79.9500	80.1000

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Nirmal Bang Securities - Bullion Technical Market Update

Gold Market Update

Market View	
Open	49400
High	49457
Low	49100
Close	49175
Value Change	-127
% Change	-0.26
Spread Near-Next	3126
Volume (Lots)	4399
Open Interest	8787
Change in OI (%)	-0.98%

Gold - Outlook for the Day

Gold prices are trading supportive around $ 1650-1655; where we can initiate long positions for the target of 1780-1700.

SELL GOLD OCT (MCX) AT 49300 SL 49500 TARGET 49000/48850

Silver Market Update

Market View	
Open	57002
High	57138
Low	56105
Close	56343
Value Change	-341
% Change	-0.6
Spread Near-Next	3657
Volume (Lots)	15283
Open Interest	19554
Change in OI (%)	7.40%

Silver - Outlook for the Day

Silver prices are taking support around $ 19.30-19.40; where you can go long for target of $ 19.70-19.90.

BUY SILVER DEC (MCX) AT 56200 SL 55800 TARGET 56800/57100 beyond powered by NIRMAL BANG

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Nirmal Bang Securities - Currency Technical Market Update

USDINR Market Update

Market View	
Open	79.9
High	79.9
Low	79.635
Close	79.7725
Value Change	-0.05
% Change	-0.06
Spread Near-Next	0.21
Volume (Lots)	1884309
Open Interest	3044064
Change in OI (%)	-1.01%

USDINR - Outlook for the Day

USDINR witnessed a weak open at 79.90 and witnessed a session in red marking the low at 79.63 with closure near the same. USDINR has formed a red with sideways closure indicating resistance at higher levels. The pair has given closure above the short and medium SMA on the daily chart with resistance at long term SMA. USDINR, if trades below 79.68, pair will head towards 79.50 – 79.25. Whereas, momentum above 79.92; will lead the pair to test the highs of 80.25. The daily strength indicator RSI and momentum oscillator Stochastic both are in positive zone with crossing their respective signal line thus indicating support in the pair.

Key Market Levels for the Day

	S3	S2	S1	R1	R2	R3
USDINR September	79.3400	79.5800	79.7000	79.9800	80.1500	80.3000

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Nirmal Bang Securities – Commodity Research Team

Name	Designation	Email
Kunal Shah	Head of Research	kunal.shah@nirmalbang.com
Devidas Rajadhikary	AVP Commodity Research	devidas.rajadhikary@nirmalbang.com
Harshal Mehta	AVP Commodity Research	harshal.mehta@nirmalbang.com
Ravi D'souza	Sr. Research Analyst	ravi.dsouza@nirmalbang.com
Smit Bhayani	Research Associate	smit.bhayani@nirmalbang.com
Riya Singh	Currency Research Analyst	riya.singh@nirmalbang.com

Address: Nirmal Bang Securities Pvt. Ltd., B2, 301 / 302, 3rd Floor, Marathon Innova,
Opp. Peninsula Corporate Park, Ganpatrao Kadam Marg,
Lower Parel (W), Mumbai - 400 013, India