



**Daily Bullion Physical Market Report**

**Date: 22<sup>nd</sup> June 2022**

**Daily India Spot Market Rates**

Description	Purity	AM	PM
Gold	999	50943	50914
Gold	995	50739	50710
Gold	916	46664	46637
Gold	750	38207	38186
Gold	585	29802	29785
Silver	999	60773	61077

\*Rate as exclusive of GST as of 21<sup>st</sup> June 2022 Gold is Rs/10 Gm & Silver in Rs/Kg

**Gold and Silver 999 Watch**

Date	GOLD*	SILVER*
21 <sup>st</sup> June 2022	50914	61077
20 <sup>th</sup> June 2022	51005	60979
17 <sup>th</sup> June 2022	51169	61576
16 <sup>th</sup> June 2022	50614	60550

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

**COMEX Futures Watch**

Description	Contract	Close	Change	%Chg
Gold(\$/oz)	AUG 22	1838.80	-1.80	-0.10
Silver(\$/oz)	SEPT 22	21.85	0.17	0.78

**ETF Holdings as on Previous Close**

ETFs	Long	Short
SPDR Gold	1,073.80	-1.74
iShares Silver	16,909.75	-43.04

**Gold and Silver Fix**

Description	LTP
Gold London AM Fix(\$/oz)	1836.50
Gold London PM Fix(\$/oz)	1840.25
Silver London Fix(\$/oz)	21.67

**Bullion Futures DGCX**

Description	Contract	LTP
Gold(\$/oz)	August 22	1832.6
Gold Quanto	August 22	50780
Silver(\$/oz)	JULY 22	21.63

**Gold Ratio**

Description	LTP
Gold Silver Ratio	84.15
Gold Crude Ratio	16.79

**Weekly CFTC Positions**

	Long	Short	Net
Gold(\$/oz)	121509	71948	49561
Silver	40973	39171	1802

**MCX Indices**

Index	Close	Net Change	% Chg
MCX iCOMDEX Bullion	14351.60	38.74	0.27%

**Macro-Economic Indicators**

Time	Country	Event	Forecast	Previous	Impact
22 <sup>nd</sup> June 07:00PM	United States	Fed Chair Powell Testifies	-	-	High



## Nirmal Bang Securities - Daily Bullion News and Summary

❖ Gold edged lower as US bond yields rose, with investors weighing the outlook for monetary policy tightening amid concerns over inflation and a slowdown in growth. Bullion is trading in a narrow range after some volatility last week following shock US consumer price index data, and the subsequent 75-basis-point interest rate increase by the Federal Reserve along with hikes by other central banks in Europe. Yields on 10-year Treasuries are edging up again, while global stocks are steadying after last week's rout. St. Louis Fed President James Bullard warned Monday that US inflation expectations could become "unmoored" without credible action from the Fed, possibly leading to a new regime of high price pressures and volatile real economic performance.

❖ Exchange-traded funds added 34,716 troy ounces of gold to their holdings in the last trading session, bringing this year's net purchases to 7.3 million ounces, according to data compiled by Bloomberg. This was the third straight day of growth. The purchases were equivalent to \$63.8 million at the previous spot price. Total gold held by ETFs rose 7.5 percent this year to 105.1 million ounces. State Street's SPDR Gold Shares, the biggest precious-metals ETF, boosted its holdings by 372,960 ounces in the last session. ETFs cut 2.21 million troy ounces of silver from their holdings in the last trading session, bringing this year's net sales to 32.4 million ounces. This was the seventh straight day of declines, the longest losing streak since Dec. 20.

❖ Russia's government and parliament are seeking to change rules on the sales and management of the state's precious metal and gem stockpiles amid the war with Ukraine. The Finance Ministry proposed this week to put a portion of the country's gold and gems into a special reserve that can be accessed in times of war, according to the government documents website. If the proposal passes, the president will have more right to decide what to do with those reserves. Separately, Russia's Duma, the lower chamber of the parliament, last week approved new rules that allow the President more freedom to use the state's treasures without consulting the government or parliament. This could be necessary if the country has to sell the assets urgently. Russia's state reserves include precious metals such as gold, platinum and palladium, as well as gems like diamonds, rubies and emeralds.

❖ The US central bank should raise interest rates as fast as it can without causing undue harm to financial markets or the economy, said Federal Reserve Bank of Richmond President Thomas Barkin. "We are in a situation where inflation is high, it's broad based, it's persistent, and rates are still well below normal," Barkin said Tuesday in a live-streamed event hosted by the National Association for Business Economics. "The spirit is, you want to get back to where you want to go as fast as you can without breaking anything." Policy makers raised their benchmark rate by 75 basis points earlier this month, the biggest hike since 1994 and one that Barkin said he supported. Reports released days before the central bank's June meeting showed both inflation and future price expectations accelerated in May, bolstering the Fed's case for tightening policy. "If it's possible to do it, why wouldn't you do it," said Barkin, who does not vote on monetary policy this year. The Fed may need to raise rates beyond neutral and into restrictive territory, Barkin said. He is watching for positive forward-looking real rates and said it's important for policy makers to stay flexible.

❖ A new European Central Bank measure of inflation that attempts to account for imported pressures shows that euro-area prices are starting to increase at a domestic level. The gauge "suggests that, although the sharp rise in headline inflation is mainly explained by imported inflation, domestic inflationary pressures have also increased over the past year," the Frankfurt-based central bank said in an article on its website on Tuesday. The ECB is preparing to raise interest rates in July for the first time in more than a decade to bring consumer prices under control. The Governing Council is debating how far and fast borrowing costs should increase at a time when some officials question whether monetary policy can really address supply shocks. The new so-called Low Import Intensity inflation indicator, or LIMI for short, looks at items on the harmonized index of consumer prices that are less affected by international pressures. These include items such as housing rentals, domestic services, maintenance and repairs and education. The new index is intended to be used as an extra tool to help with decision making, the ECB said.

❖ **Fundamental Outlook:** Gold and silver prices are trading lower today on international bourses. We expect precious metals prices on Indian bourses to trade sideways to lower for the day. We recommend sell on rise in gold and silver in intra-day trading sessions as trader's awaited comments from Federal Reserve Chair Jerome Powell for clues on inflation and monetary policy, amid the growing drumbeat of warnings about the risk of an economic slowdown.

### Key Market Levels for the Day

Time	Month	S3	S2	S1	R1	R2	R3
Gold – COMEX	August	1780	1810	1830	1855	1870	1900
Silver – COMEX	September	21.30	21.50	21.70	22.30	22.50	22.70
Gold – MCX	August	50150	50400	50600	50780	50950	51150
Silver – MCX	July	59700	60200	60700	61000	61700	62300



## Nirmal Bang Securities - Daily Currency Market Update

### Dollar Index

LTP/Close	Change	% Change
104.44	-0.27	-0.25

### Bond Yield

10 YR Bonds	LTP	Change
United States	3.2749	-0.0190
Europe	1.7670	0.0220
Japan	0.2380	-0.0030
India	7.4820	0.0540

### Emerging Market Currency

Currency	LTP	Change
Brazil Real	5.1263	-0.0648
South Korea Won	1293.65	3.6500
Russia Rubble	55.0341	-0.4462
Chinese Yuan	6.6895	0.0279
Vietnam Dong	23225	7
Mexican Peso	20.1235	0.0931

### NSE Currency Market Watch

Currency	LTP	Change
NDF	78.38	0.05
USDINR	78.1475	0.1225
JPYINR	57.5825	-0.3225
GBPINR	95.8875	0.255
EURINR	82.5175	0.305
USDJPY	135.72	0.93
GBPUSD	1.2271	0.0016
EURUSD	1.0561	0.0024

### Market Summary and News

❖ The European Central Bank has "good reason" to start raising interest rates next month, said Governing Council member Olli Rehn. Major increases in energy and raw-material costs are being transmitted more broadly to the prices of other products and services, according to the Bank of Finland, which he leads. "With inflation rising sharply, there has been good reason to expedite the normalization of monetary policy. The aim is to ensure that inflation stabilizes at its 2% target over the medium term," Rehn said in a statement. The ECB predicts price pressures will average 6.8% this year, before slowing to 2.1% in 2024. On Monday, President Christine Lagarde reiterated plans to embark on a gradual hiking cycle starting with a quarter-point rate increase next month. "Key ECB interest rates will be raised in July, and a further rise is expected in September," Rehn said. Speaking at a press conference in Helsinki, Rehn said that next month's hike will be 0.25 percentage point and that it's very likely the September step will be bigger than that, given the outlook for inflation. Gradual increases will then continue, he said. Asked about the crisis tool the ECB is developing to fight unwarranted deviations in the euro-area sovereign bond market, Rehn said policy makers plan to conduct a holistic analysis to determine what that should entail. "To my mind it is very clear that there is no automaticity, there is no one single benchmark," he said. "It is a comprehensive analysis, and there has to be plenty of room for judgment, and that judgment is practiced by the ECB Governing Council."

❖ President Joe Biden reiterated that a US recession isn't inevitable following a conversation with former Treasury Secretary Lawrence Summers, who sees a significant chance the country will find itself battling stagflation. "I was talking to Larry Summers this morning, and there's nothing inevitable about a recession. I think we're going to be able to get a change in Medicare and a reduction in the cost of insulin," Biden told. The White House and congressional Democrats are in talks on legislation that aims to fight inflation, rein in the deficit and revive parts of Biden's agenda. Democrats are desperate for a policy response to inflation, which is at a four-decade high and, unless curbed, is all but certain to cost them control of the House, Senate or both in November's midterm elections. Gasoline, a critical component of the American household budget, costs \$5 a gallon on average nationwide, according to the AAA motor club, and hit a record earlier this month. Seeking to quell the surge in living costs, the Federal Reserve accelerated its monetary-tightening campaign last week, executing the biggest interest-rate hike since 1994. The move drove fresh losses on Wall Street and has increased the odds of a recession that would only compound Biden's political troubles.

❖ India faces challenges in managing its fiscal deficit, while sustaining growth, reining in inflation and containing the current account gap, the Finance Ministry said in its monthly economic report Monday. The risk to budget deficit has emerged as the government revenues take a hit following cuts in excise duties on diesel and petrol. Increase in the fiscal deficit may cause the current account deficit to widen, compounding the effect of costlier imports, and weaken the value of the rupee. Rationalizing non-capex expenditure has become critical to protect growth and avoid fiscal slippages. Near-term challenges need to be managed carefully without sacrificing the hard-earned macroeconomic stability. India is targeting to narrow its fiscal deficit to 6.4% of the GDP this financial year. RBI's monetary policy is now fully dedicated to reining in inflationary pressures in the economy. The impact of measures by RBI and the government is expected to restrain inflation while underpinning economic growth in the ongoing fiscal year.

❖ The Bank of England needs to raise rates more aggressively to stave off a drop in the value of the pound that would drive up inflation, policy maker Catherine Mann said. Mann said domestic price pressures are likely to prove stronger than thought because of government stimulus programs, strong employment, big bonus payments to workers, strength in the housing market and a buildup of savings by consumers. The remarks suggest Mann, who has been backing a half point rate hike, will keep supporting quicker increases in the BOE's benchmark lending rate, which the nine-member Monetary Policy Committee lifted last week to 1.25%, the highest since 2009. The quarter point steps the BOE as a whole has endorsed fell short of the 75-basis point move by the US Federal Reserve and left the UK central bank lagging in the global fight against inflation. "In my view, a more robust policy move, based on both domestic conjuncture and commensurate with the global factor, reduces the risk that domestic inflation already embedded is further boosted by inflation imported via a Sterling depreciation," Mann said in a text of the speech in London. The UK currency has fallen about 10% against the dollar so far this year. Mann said if the Fed tightens at the pace priced in by markets and the European Central Bank also tightens, then the BOE should move more quickly. The alternative, she said, would be a sharp fall in the pound, which would boost inflation. She said that history indicates that a failure to accelerate rate increases could add half a point to inflation over the course of a year. The BOE is currently estimating consumer price growth will peak over 11% this year, more than five times its 2% target. She also hinted of the need for rate cuts following the current tightening cycle. "I open the door to a policy rate reversal in the medium term when the domestic supports to demand fade and when weakness in external sources of demand bite. In my view this monetary policy path supports an inflation-output combination superior to that of the historical reaction," Mann said.

### Key Market Levels for the Day

	S3	S2	S1	R1	R2	R3
USDINR Spot	77.5500	77.7500	77.8800	78.1200	78.2800	78.4000



**Nirmal Bang Securities - Bullion Technical Market Update**

**Gold Market Update**



Market View	
Open	50827
High	50950
Low	50650
Close	50760
Value Change	25
% Change	0.05
Spread Near-Next	0
Volume (Lots)	4652
Open Interest	12524
Change in OI (%)	-0.49%

**Gold - Outlook for the Day**

Gold prices are likely to trade positive for the day. We are expecting the metal to test 1860-1870. Recommending to buy gold between 1830-35 for target 1860-70.

**SELL GOLD AUG (MCX) AT 50750 SL 50950 TARGET 50500/50350**

**Silver Market Update**



Market View	
Open	60962
High	61690
Low	60573
Close	61271
Value Change	527
% Change	0.87
Spread Near-Next	0
Volume (Lots)	13675
Open Interest	9496
Change in OI (%)	-21.84%

**Silver - Outlook for the Day**

Silver comparatively not looking so strong but as a white metal we can expect some support around 21.70-60 zone, where one can go long for target 22.05-15 and trade within range if 21.30-22.70.

**SELL SILVER JULY (MCX) AT 61000 SL 61550 TARGET 60300/60000**



**Nirmal Bang Securities - Currency Technical Market Update**

**USDINR Market Update**



Market View	
Open	77.95
High	78.175
Low	77.95
Close	78.1475
Value Change	0.1225
% Change	0.16
Spread Near-Next	0
Volume (Lots)	1526465
Open Interest	5245508
Change in OI (%)	-0.63%

**USDINR - Outlook for the Day**

USDINR witnessed a weak open at 77.95 with turnaround in the momentum to trade in green marking high at 78.1750 with closure near the same. USDINR has formed a green candle with sideways closure indicating consolidation momentum ahead. The pair has given closure above all the SMA's indicating support at lower levels. USDINR, if trades below 78, the momentum will trade on a weaker note towards 77.75. But momentum above 78.18 would lead momentum towards 78.45. The daily strength indicator RSI and momentum oscillator Stochastic both are in the negative zone indicating weakness for the pair.

**Key Market Levels for the Day**

	S3	S2	S1	R1	R2	R3
USDINR June	77.5000	77.7500	77.9000	78.2500	78.4000	78.6500



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