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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: 22nd September 2022

Daily India Spot Market Rates

Description	Purity	AM	PM
Gold	999	49578	49606
Gold	995	49380	49407
Gold	916	45413	45439
Gold	750	37183	37205
Gold	585	29003	29020
Silver	999	56318	56667

*Rate as exclusive of GST as of 21st September 2022 Gold is Rs/10 Gm & Silver in Rs/Kg

Gold and Silver 999 Watch

Date	GOLD*	SILVER*
21st September 2022	49606	56667
20th September 2022	49368	56354
19th September 2022	49320	56354
16th September 2022	49341	55144

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

COMEX Futures Watch

Description	Contract	Close	Change	%Chg
Gold($/oz)	DEC 22	1675.70	4.60	0.28
Silver($/oz)	DEC 22	19.48	0.30	1.55

ETF Holdings as on Previous Close

ETFs	Long	Short
SPDR Gold	952.16	-1.16
iShares Silver	14,995.46	90.27

Gold and Silver Fix

Description	LTP
Gold London AM Fix($/oz)	1674.45
Gold London PM Fix($/oz)	1671.75
Silver London Fix($/oz)	19.51

Bullion Futures DGCX

Description	Contract	LTP
Gold($/oz)	OCT. 22	1670.3
Gold Quanto	OCT. 22	49463
Silver($/oz)	DEC. 22	19.65

Gold Ratio

Description	LTP
Gold Silver Ratio	86.02
Gold Crude Ratio	20.20

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	13623.95	114.33	0.84 %

Macro-Economic Indicators

Time	Country	Event	Forecast	Previous	Impact
22nd September 04:30pm	Britain	Monetary Policy Summary	-	-	High
22nd September 04:30pm	Britain	Official Bank Rate	2.25 %	1.75 %	High
22nd September 06:00pm	United States	Unemployment Claims	220 K	213 K	Medium
22nd September 06:00pm	United States	Current Account	-261 B	-291 B	Low

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Nirmal Bang Securities - Daily Bullion News and Summary

❖ Gold prices rose after the US Federal Reserve raised interest rates by 75 basis points for a third straight time, a widely expected move that put to rest predictions by some that the central bank making a more aggressive hike. Spot gold increased 1.3% to $1,687.10 an ounce at 2:58 p.m. in New York after initially dipping as much as 0.7%. The Fed said it anticipates ongoing rate hikes are appropriate, while the median Fed forecast shows rates at 4.6% in 2023. “Some were predicting they maybe do a full point, and the fact they kept it as expected, has gold catching a bid here and making a rally,” said Robert Haberkorn, senior market strategist at RJ O'Brien & Associates. “The market was anticipating a 0.75 rate hike, and there were no significant surprises from what the market has been pricing in.”

❖ 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.”

❖ Federal Reserve officials gave their clearest signal yet that they're willing to tolerate a recession as the necessary trade-off for regaining control of inflation. Policy makers, criticized for being too late to realize the scale of the US inflation problem, are moving aggressively to catch up. They raised interest rates by 75 basis points on Wednesday for the third time in a row and forecast a further 1.25 percentage points of tightening before year end. That was more hawkish than expected by economists. In addition, officials cut growth projections, raised their unemployment outlook and Chair Jerome Powell repeatedly spoke of the painful slowdown that's needed to curb price pressures running at the highest levels since the 1980s. “Powell's admission that there will be below-trend growth for a period should be translated as central bank speak for ‘recession,’” said Seema Shah of Principal Global Investors. “Times are going to get tougher from here.” To be clear, Fed officials aren't explicitly projecting a recession. But Powell's rhetoric about the rate hikes likely causing pain for workers and businesses has gotten progressively sharper in recent months. On Wednesday, in his post-meeting press conference, Powell said a soft landing with only a small increase in joblessness would be “very challenging.” “No one knows whether this process will lead to a recession or if so, how significant that recession would be,” Powell told reporters after officials lifted the target range for their benchmark rate to 3% to 3.25%. “The chances of a soft landing are likely to diminish to the extent that policy needs to be more restrictive, or restrictive for longer. Nonetheless, we're committed to getting inflation back down to 2%.”

❖ If the Fed is going to “keep at it until the job is done” on inflation, then gold is likely to keep on giving up ground. Post-FOMC, the balance of risks for bullion remains to the downside, with a sixth monthly loss on the cards for September and more weakness likely in 4Q. Sifting through the meeting coverage, there's nothing in this week's decision on rates, or in the sound bites that followed, that's gold friendly. The Fed's stance is supportive of the dollar and higher real yields. That's not a good mix for bullion. In this environment, look for additional sales from ETFs. One caveat: a geopolitical risk. Should tensions over Ukraine escalate as winter draws in -- and gold saw a bounce on Wednesday following Vladimir Putin's speech -- then an uptick in haven demand could offer some support. Absent that, gold's likely trajectory is downward.

❖ Bond traders are girding for the risk that Federal Reserve Chair Jerome Powell is ready, willing and able to plunge the US into recession to get the inflation bogey under control. Yields on long-dated Treasuries dove Wednesday in the wake of the Fed's decision to push through a third straight 75 basis point interest-rate hike. The move was accompanied by projections showing rates will need to keep rising, and an admission from the central bank boss that this inflation fight will involve some pain. Short-end rates for the first half of 2023 have already leaped higher, bringing market policy-rate expectations in line with those of officials near 4.6%, and indicating traders believe in the Fed's determination to act aggressively until inflation is firmly trending lower. While the initial reaction was perhaps a bit too hawkish, the shakeout from bond and stock markets was that growth will ultimately suffer. Recession expectations are clear based on swaps pricing out through the end of next year. Derivative contracts for the second half of 2023 imply a half-point cut before the year is out, challenging the Fed's current outlook that the policy rate will end 2023 above 4.5% before easing to 3.9% by the end of 2024.

❖ The Bank of England on Thursday is set to raise interest rates and start selling assets built up during a decade-long stimulus program, a historic tightening of monetary policy designed to clamp down on inflation. Economists expect the UK central bank to lift its benchmark lending rate a half percentage point to 2.25% and confirm plans to sell more of the £895 billion of bonds acquired during the quantitative-easing program. Investors see a strong chance of a three-quarter-point increase. Officials led by Governor Andrew Bailey have said they'll act “forcefully” to prevent inflation from seeping into expectations that wages prices will keep rising. This month's decision, due at 12 p.m. London time, also gives the government an opportunity to recalibrate the BOE's emphasis. A half-point rate rise would repeat the scale of last month's increase, which was the biggest in 27 years. Back-to-back hikes of that scale haven't been seen since Black Wednesday 30 years ago, and those were reversed within the day. A 75 basis-point increase next week would be the biggest since 1989, when inflation was climbing rapidly following a consumer boom.

❖ **Fundamental Outlook:** Gold and silver prices are trading slightly lower on international bourses. We expect precious metals prices on Indian bourses to trade lower for the day. We recommend sell on rise in gold and silver in intra-day trading sessions after Federal Reserve Chair Jerome Powell pledged to crush inflation and the dollar surged to a record, with the precious metal on the cusp of sinking into a bear market.

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	48800	49000	49250	49400	49600	49850
Silver – MCX	December	55500	56300	57000	57700	58200	58650

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Nirmal Bang Securities - Daily Currency Market Update

Dollar Index

LTP/Close	Change	% Change
110.64	0.43	0.39

Bond Yield

10 YR Bonds	LTP	Change
United States	3.5299	0.0157
Europe	1.8890	-0.0330
Japan	0.2590	0.0020
India	7.2340	-0.0310

Emerging Market Currency

Currency	LTP	Change
Brazil Real	5.173	0.0297
South Korea Won	1394.85	14.2500
Russia Rubble	61.1199	0.0218
Chinese Yuan	7.0502	0.0424
Vietnam Dong	23688	17
Mexican Peso	20.0204	0.0372

NSE Currency Market Watch

Currency	LTP	Change
NDF	80.3	0.23
USDINR	80.005	0.2325
JPYINR	55.6325	-0.0425
GBPINR	90.7775	-0.56
EURINR	79.4375	-0.4475
USDJPY	143.95	0.59
GBPUSD	1.1343	-0.0101
EURUSD	0.9926	-0.009

Market Summary and News

❖ China's current interest rates are reasonable and provide room for future policy action, the People's Bank of China said, adding to expectations it may resume lowering rates in coming months. Real interest rates in the country are slightly lower than the pace of potential economic growth, the central bank said in a statement posted late Tuesday on its verified WeChat account. Such a situation helps make debt sustainable and provides the government with extra policy scope, it said. The current levels of interest rates are "the best strategy that leaves room for the future," the PBOC said. The statement was the fourth in a series of articles published by the PBOC since the middle of September explaining its policy. The central bank last week refrained from cutting its key interest rates as it defended a depreciating Yuan. Banks followed by keeping their main lending rates unchanged on Tuesday, although speculation is growing they may ease in coming months.

❖ The euro plunged against the dollar and bonds rallied after Russian President Vladimir Putin threatened to escalate his war in Ukraine, sending investors scurrying to haven assets ahead of an expected jumbo rate hike by the Federal Reserve later Wednesday. The common currency fell as much as 0.9% to $0.9885, a two-week low, after Putin announced a partial mobilization and vowed to use all means necessary to defend Russian territory as the Kremlin moved to annex parts of Ukraine that it's occupied. German bonds rebounded across the curve, outperforming Treasuries. The prospect of a renewed push from Russia deals another blow to Europe, already on the brink of recession as it grapples with an energy crisis. It's likely to keep weighing on the single currency, which is down almost 13% against the greenback this year. An expected three-quarter point rate hike from the Federal Reserve threatens to sap risk appetite further.

❖ Expectations for September's UK rate have increased to 75 bps in September, after the 50-bp August hike, as commentary grows about a protracted recession starting late-2022 and inflation breaching 10%. UK base rates may breach 3.5% by December, based on consensus, with the March 2023 level now expected at 4.5% or higher vs. consensus of about 3% in early August. As many as six rate increases are forecast over the next 12 months, with the BOE's guidance and tone increasingly critical for UK-focused Lloyds and NatWest. UK banks' updated sensitivities to parallel shifts in UK rates were positively received at 2Q earnings with margin-guidance upgrades. The hedge contribution and pass through to depositors, as well as the mix of repricing effects on net-interest-margin guidance, are all key to revenue momentum.

❖ Federal Reserve officials gave their clearest signal yet that they're willing to tolerate a recession as the necessary trade-off for regaining control of inflation. Policy makers, criticized for being too late to realize the scale of the US inflation problem, are moving aggressively to catch up. They raised interest rates by 75 basis points on Wednesday for the third time in a row and forecast a further 1.25 percentage points of tightening before year end. That was more hawkish than expected by economists. In addition, officials cut growth projections, raised their unemployment outlook and Chair Jerome Powell repeatedly spoke of the painful slowdown that's needed to curb price pressures running at the highest levels since the 1980s. "Powell's admission that there will be below-trend growth for a period should be translated as central bank speak for 'recession,'" said Seema Shah of Principal Global Investors. "Times are going to get tougher from here." To be clear, Fed officials aren't explicitly projecting a recession. But Powell's rhetoric about the rate hikes likely causing pain for workers and businesses has gotten progressively sharper in recent months. On Wednesday, in his post-meeting press conference, Powell said a soft landing with only a small increase in joblessness would be "very challenging." "No one knows whether this process will lead to a recession or if so, how significant that recession would be," Powell told reporters after officials lifted the target range for their benchmark rate to 3% to 3.25%. "The chances of a soft landing are likely to diminish to the extent that policy needs to be more restrictive, or restrictive for longer. Nonetheless, we're committed to getting inflation back down to 2%."

Key Market Levels for the Day

	S3	S2	S1	R1	R2	R3
USDINR Spot	79.4900	79.6800	79.8500	80.1000	80.2500	80.3800

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Nirmal Bang Securities - Bullion Technical Market Update

Gold Market Update

Market View	
Open	49189
High	49569
Low	49114
Close	49443
Value Change	268
% Change	0.54
Spread Near-Next	2858
Volume (Lots)	5546
Open Interest	7688
Change in OI (%)	-14.30%

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 49400 SL 49600 TARGET 49000/48800

Silver Market Update

Market View	
Open	56578
High	57733
Low	56481
Close	57298
Value Change	955
% Change	1.69
Spread Near-Next	2702
Volume (Lots)	21742
Open Interest	16451
Change in OI (%)	-18.86%

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.

SELL SILVER DEC (MCX) AT 57000 SL 57700 TARGET 56000/55500

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Nirmal Bang Securities - Currency Technical Market Update

USDINR Market Update

Market View	
Open	79.81
High	80.0625
Low	79.81
Close	80.005
Value Change	0.2325
% Change	0.29
Spread Near-Next	0.2175
Volume (Lots)	2519706
Open Interest	3188687
Change in OI (%)	4.54%

USDINR - Outlook for the Day

USDINR witnessed a positive open at 79.81 followed by a session in green marking the high at 80.06 with closure near the same. USDINR has formed a green candle with closure in higher highs and lows but is also accompanied by small upper shadow indicating some resistance is faced by the pair. The pair has given closure above the short medium and long term SMA on the daily chart USDINR, if trades below 79.95, pair will head towards 79.80 – 79.65. Whereas, momentum above 80.10; 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	79.5400	79.6800	79.8500	80.1200	80.2900	80.4000

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