



**Daily Bullion Physical Market Report**

**Date: 23<sup>rd</sup> June 2022**

**Daily India Spot Market Rates**

Description	Purity	AM	PM
Gold	999	50764	51155
Gold	995	50561	50950
Gold	916	46500	46858
Gold	750	38073	38366
Gold	585	29697	29926
Silver	999	60383	60744

\*Rate as exclusive of GST as of 22<sup>nd</sup> June 2022 Gold is Rs/10 Gm & Silver in Rs/Kg

**Gold and Silver 999 Watch**

Date	GOLD*	SILVER*
22 <sup>nd</sup> June 2022	51155	60744
21 <sup>st</sup> June 2022	50914	61077
20 <sup>th</sup> June 2022	51005	60979
17 <sup>th</sup> June 2022	51169	61576

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

**COMEX Futures Watch**

Description	Contract	Close	Change	%Chg
Gold(\$/oz)	AUG 22	1838.40	-0.40	-0.02
Silver(\$/oz)	SEPT 22	21.50	-0.35	-1.62

**ETF Holdings as on Previous Close**

ETFs	Long	Short
SPDR Gold	1,071.77	-2.03
iShares Silver	17,018.79	109.04

**Gold and Silver Fix**

Description	LTP
Gold London AM Fix(\$/oz)	1827.30
Gold London PM Fix(\$/oz)	1841.85
Silver London Fix(\$/oz)	21.42

**Bullion Futures DGCX**

Description	Contract	LTP
Gold(\$/oz)	August 22	1839.9
Gold Quanto	August 22	50924
Silver(\$/oz)	JULY 22	21.40

**Gold Ratio**

Description	LTP
Gold Silver Ratio	85.52
Gold Crude Ratio	17.31

**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	14390.34	-9.94	-0.07%

**Macro-Economic Indicators**

Time	Country	Event	Forecast	Previous	Impact
23 <sup>rd</sup> June 07:00PM	United States	Unemployment Claims	227 K	229 K	Medium
23 <sup>rd</sup> June 07:00PM	United States	Current Account	-275 B	-218 B	Low
23 <sup>rd</sup> June 07:00PM	United States	Flash Manufacturing PMI	56.2	57.0	Medium
23 <sup>rd</sup> June 07:00PM	United States	Flash Services PMI	53.9	53.4	Medium
23 <sup>rd</sup> June 07:00PM	United States	Fed Chair Powell Testifies	-	-	High



## Nirmal Bang Securities - Daily Bullion News and Summary

❖ Gold held gains as the dollar and bond yields sank on growing concerns about an economic downturn, after Federal Reserve Chair Jerome Powell vowed to curb inflation and said that a recession could be a possibility. It will be “very challenging” to achieve a soft landing and there’s a risk that inflation will become entrenched in the US economy, Powell said as he appeared before the Senate Banking Committee to deliver a semi-annual monetary policy report to Congress. Powell will address the House Financial Services Committee on Thursday. Bullion has been holding in a narrow range this week, with markets still focusing on central bank tightening to contain price pressure and the impact of those actions on global growth.

❖ Growing fears of a US recession should come to the rescue of a battered and bruised Treasury market. Citigroup’s US surprise index -- a gauge of whether economic data beats or falls short of analyst expectations -- has fallen to the lowest since May 2020 and has been in negative territory for a month. What’s more, the copper-gold index -- a good gauge of sentiment on the global economy -- has fallen to the lowest in over a year. That’s a measure that traditionally has a close relationship with benchmark Treasury yields, suggesting they too may soon roll over. Even Fed Chair Jerome Powell is turning gloomy, giving his most explicit acknowledgment yet that aggressive rate hikes could tip the US economy into recession. Concrete signs of a slowdown could quickly shift the narrative in favor of bonds as would a worsening slide in commodity prices as a signal that inflationary pressures are easing.

❖ Switzerland imported gold from Russia for the first time since the invasion of Ukraine, showing the industry’s stance toward the nation’s precious metals may be softening. More than 3 tons of gold was shipped to Switzerland from Russia in May, according to data from the Swiss Federal Customs Administration. That’s the first shipment between the countries since February. The shipments represent about 2% of gold imports into the key refining hub last month. It may also mark a change in perception of Russian bullion, which became taboo following the invasion. Most refiners swore off accepting new gold from Russia after the London Bullion Market Association removed the country’s own fabricators from its accredited list. While that was viewed as a de facto ban on fresh Russian gold from the London market, one of the world’s biggest, the rules don’t prohibit Russian metal from being processed by other refiners. Switzerland is home to four major gold refineries, which together handle two-thirds of the world’s gold. Almost all of the gold was registered by customs as being for refining or other processing, indicating one of the country’s refineries took it. The four largest -- MKS PAMP SA, Metalor Technologies SA, Argor-Heraeus SA and Valcambi SA -- said they did not take the metal. In March, at least two major gold refineries refused to remelt Russian bars even though market rules permit them to do so. Others, such as Argor-Heraeus, said they would accept products refined in Russia prior to 2022, so long as there were documents proving that the gold had not been exported from Russia after beginning of the war, and that accepting them would not benefit Russia, a Russian person or entity anywhere in the world.

❖ Federal Reserve Chair Jerome Powell gave his most explicit acknowledgment to date that steep interest-rate hikes could tip the US economy into recession, saying one is possible and calling a soft landing “very challenging.” “The other risk, though, is that we would not manage to restore price stability and that we would allow this high inflation to get entrenched in the economy,” Powell told lawmakers on Wednesday. “We can’t fail on that task. We have to get back to 2% inflation.” The Fed chair was testifying before the Senate Banking Committee during the first of two days of congressional hearings. In his opening remarks, Powell said that officials “anticipate that ongoing rate increases will be appropriate,” to cool the hottest price pressures in 40 years. “Inflation has obviously surprised to the upside over the past year, and further surprises could be in store. We therefore will need to be nimble in responding to incoming data and the evolving outlook,” said Powell, who appears before the House Financial Services Committee on Thursday. The Federal Open Market Committee last week raised its benchmark lending rate 75 basis points -- the biggest increase since 1994 -- to a range of 1.5% to 1.75%. Powell told reporters after the meeting that another 75 basis-point increase, or a 50 basis-point move, was on the table next month. But he made no direct reference to the size of future hikes during Wednesday’s hearing. The Fed chair faced a barrage of questions about the risk of recession, with economists increasingly flagging the likelihood of a downturn sometime in the next two years. Former New York Fed President Bill Dudley wrote in a Bloomberg Opinion column Wednesday that a recession is “inevitable” within the next 12 to 18 months.

❖ Exchange-traded funds cut 7,457 troy ounces of gold from their holdings in the last trading session, bringing this year’s net purchases to 7.29 million ounces, according to data compiled by Bloomberg. The sales were equivalent to \$13.7 million at yesterday’s spot price. Total gold held by ETFs rose 7.5 percent this year to 105.1 million ounces. Exchange-traded funds cut 7,457 troy ounces of gold from their holdings in the last trading session, bringing this year’s net purchases to 7.29 million ounces, according to data compiled by Bloomberg. The sales were equivalent to \$13.7 million at yesterday’s spot price. Total gold held by ETFs rose 7.5 percent this year to 105.1 million ounces.

❖ **Fundamental Outlook:** Gold and silver prices are trading slightly 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 after gold and silver rose higher in the previous session ahead of the Fed Chair Powell’s Testimony. Gold held an advance on growing fears of an economic downturn after Federal Reserve Chair Jerome Powell acknowledged that steep interest-rate hikes could tip the US economy into recession, boosting the precious metal’s haven appeal.

### 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	50300	50500	50700	50900	51150	51350
Silver – MCX	July	59400	60000	60500	60800	61250	61750





## Nirmal Bang Securities - Daily Currency Market Update

### Dollar Index

LTP/Close	Change	% Change
104.20	-0.24	-0.23

### Bond Yield

10 YR Bonds	LTP	Change
United States	3.1561	-0.0019
Europe	1.6330	-0.1340
Japan	0.2460	-0.0100
India	7.3950	-0.0860

### Emerging Market Currency

Currency	LTP	Change
Brazil Real	5.1953	0.069
South Korea Won	1297.55	3.6000
Russia Rubble	54.1458	0.3681
Chinese Yuan	6.7023	0.0071
Vietnam Dong	23240	15
Mexican Peso	20.0491	0.0266

### NSE Currency Market Watch

Currency	LTP	Change
NDF	78.42	0.02
USDINR	78.3575	0.21
JPYINR	57.6625	0.08
GBPINR	96.015	0.1275
EURINR	82.5075	-0.01
USDJPY	135.93	0.21
GBPUSD	1.225	-0.0021
EURUSD	1.0532	-0.0029

### Market Summary and News

❖ UK inflation rose to a fresh four-decade high in May after broad increases in the cost of everything from fuel and electricity to food and beverages. The rate accelerated to 9.1%, from 9% a month earlier, the Office for National Statistics said today. Retail prices climbed more than expected to 11.7%, and there were also more signs of inflationary pressures building at the wholesale level, with raw material costs increasing the most on record. While the jump was smaller than seen in recent months, the figures still underline the scale of the inflation crisis facing the UK. Matters will get worse later this year when another energy price hike kicks in, with the Bank of England forecasting price gains will surge above 11% in October. The BOE opened the door to moving in bigger steps than 25 basis points by saying signs of more persistent inflationary pressure would be met by forceful action. Today's release will do nothing to allay those fears. Expect inflation to pick up in the months ahead as rising food and fuel prices lift the annual rate. The peak isn't likely to arrive until October, when Ofgem, the UK's energy regulator, raises the price cap on energy bills again.

❖ The economy is on course to shrink for the first time since the pandemic, consumers are seeing their incomes squeezed at the sharpest pace in two decades, and a series of rail strikes are bringing the nation to a standstill this week. While Johnson has introduced a package of measures to help offset some of the jump in energy bills, it says increasing pay to match inflation is not an option. Johnson told his cabinet Tuesday that his government seeks to enforce pay restraint on public sector workers or else push prices even higher. Meanwhile the BOE, which says it can do nothing to stop the spike in prices this year, is adding to the short-term pain of some households by hiking rates at an unprecedented pace. Policy makers have already announced five straight hikes, and markets are betting rates will more than double to hit 3% by the end of the year.

❖ The rupee slid to a record low in line with regional peers as markets were gripped by risk-off sentiment. India's government bonds rallied as falling crude oil prices helped ease concern about accelerating inflation. USD/INR climbed 0.4% to 78.3862, closing at a record; the currency has fallen to multiple record lows in recent weeks. India's rupee may extend declines to a record-low 81 per dollar by year-end due to rising prices of crude and other raw materials. The currency has already slumped more than 5% this year as Russia's invasion of Ukraine sent Brent crude surging to almost \$140 a barrel in March. The rally in energy prices has worsened India's external finances as the nation relies on imports to meet about 80% of its oil requirements. The rupee has also been pummeled by outflows of about \$27 billion from Indian stocks this year, and by strength in the dollar driven by Federal Reserve interest-rate hikes. The rupee has continued to depreciate beyond our expectation of a gradual trend weakness. The fundamental outlook has deteriorated further primarily due to higher oil and other commodities. The rupee has set a series of new all-time lows against the dollar in recent weeks, with its latest being 78.3862 on Wednesday. Still, the Reserve Bank of India's reserve buffers and monetary policy tightening may help contain the prospect of an even larger depreciation. The anchoring of bonds is to crude oil prices, while for the rupee it is to the risk-on and risk-off setup. 10-year bond yields dropped 9bps to 7.40%; down 22 bps in less than a week. RBI minutes should be in line with governor's commentary at last rate review. Only very hawkish minutes would prompt a reaction from the market.

❖ Federal Reserve Chair Jerome Powell gave his most explicit acknowledgment to date that steep interest-rate hikes could tip the US economy into recession, saying one is possible and calling a soft landing "very challenging." "The other risk, though, is that we would not manage to restore price stability and that we would allow this high inflation to get entrenched in the economy," Powell told lawmakers on Wednesday. "We can't fail on that task. We have to get back to 2% inflation." The Fed chair was testifying before the Senate Banking Committee during the first of two days of congressional hearings. In his opening remarks, Powell said that officials "anticipate that ongoing rate increases will be appropriate," to cool the hottest price pressures in 40 years. "Inflation has obviously surprised to the upside over the past year, and further surprises could be in store. We therefore will need to be nimble in responding to incoming data and the evolving outlook," said Powell, who appears before the House Financial Services Committee on Thursday. The Federal Open Market Committee last week raised its benchmark lending rate 75 basis points -- the biggest increase since 1994 -- to a range of 1.5% to 1.75%. Powell told reporters after the meeting that another 75 basis-point increase, or a 50 basis-point move, was on the table next month. But he made no direct reference to the size of future hikes during Wednesday's hearing. The Fed chair faced a barrage of questions about the risk of recession, with economists increasingly flagging the likelihood of a downturn sometime in the next two years. Former New York Fed President Bill Dudley wrote in a Bloomberg Opinion column Wednesday that a recession is "inevitable" within the next 12 to 18 months.

### Key Market Levels for the Day

	S3	S2	S1	R1	R2	R3
USDINR Spot	77.8500	78.0000	78.1800	78.4500	78.6500	78.7800



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

**Gold Market Update**



Market View	
Open	50691
High	51146
Low	50522
Close	50904
Value Change	144
% Change	0.28
Spread Near-Next	0
Volume (Lots)	6314
Open Interest	12448
Change in OI (%)	-0.61%

**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 50950 SL 51150 TARGET 50700/50550**

**Silver Market Update**



Market View	
Open	61101
High	61101
Low	60113
Close	60648
Value Change	-623
% Change	-1.02
Spread Near-Next	0
Volume (Lots)	13972
Open Interest	9787
Change in OI (%)	2.97%

**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 60800 SL 61250 TARGET 60200/60000**





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

**USDINR Market Update**



Market View	
Open	78.1
High	78.415
Low	78.1
Close	78.3575
Value Change	0.21
% Change	0.27
Spread Near-Next	0
Volume (Lots)	2520751
Open Interest	5109476
Change in OI (%)	-2.66%

**USDINR - Outlook for the Day**

USDINR witnessed a weak open at 78.10 with turnaround in the momentum to trade in green marking high at 78.41 with closure near the same. USDINR has formed a green candle with closure in higher highs and lows indicating bullish sentiment. The pair has given closure above all the SMA's indicating support at lower levels. USDINR, if trades below 78.28, the momentum will trade on a weaker note towards 78. But momentum above 78.40 would lead momentum towards 78.57 – 78.68. The daily strength indicator RSI and momentum oscillator Stochastic both are starting to move in positive zone with crossing their respective signal line thus supporting the bullish bias.

**Key Market Levels for the Day**

	S3	S2	S1	R1	R2	R3
USDINR June	77.9000	78.0500	78.2000	78.5700	78.7000	78.9000



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