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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: 23rd September 2022

Daily India Spot Market Rates

Description	Purity	AM	PM
Gold	999	49654	49894
Gold	995	49262	49694
Gold	916	45305	45703
Gold	750	37095	37421
Gold	585	28934	29188
Silver	999	56450	56343

*Rate as exclusive of GST as of 22nd September 2022 Gold is Rs/10 Gm & Silver in Rs/Kg

Gold and Silver 999 Watch

Date	GOLD*	SILVER*
22nd September 2022	49894	56343
21st September 2022	49606	56667
20th September 2022	49368	56354
19th September 2022	49320	56354

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

COMEX Futures Watch

Description	Contract	Close	Change	%Chg
Gold($/oz)	DEC 22	1681.10	5.40	0.32
Silver($/oz)	DEC 22	19.62	0.14	0.70

ETF Holdings as on Previous Close

ETFs	Long	Short
SPDR Gold	950.13	-2.03
iShares Silver	14,973.97	-21.49

Gold and Silver Fix

Description	LTP
Gold London AM Fix($/oz)	1671.85
Gold London PM Fix($/oz)	1671.85
Silver London Fix($/oz)	19.59

Bullion Futures DGCX

Description	Contract	LTP
Gold($/oz)	OCT. 22	1671.3
Gold Quanto	OCT. 22	50020
Silver($/oz)	DEC. 22	19.69

Gold Ratio

Description	LTP
Gold Silver Ratio	85.70
Gold Crude Ratio	20.14

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	13738.28	159.93	1.16 %

Macro-Economic Indicators

Time	Country	Event	Forecast	Previous	Impact
23rd September 01:30pm	Europe	Flash Manufacturing PMI	48.7	49.6	Low
23rd September 01:30pm	Europe	Flash Services PMI	49.1	49.8	Low
23rd September 02:00pm	Britain	Flash Manufacturing PMI	47.4	47.3	High
23rd September 02:00pm	Britain	Flash Services PMI	49.9	50.9	High
23rd September 07:15pm	United States	Flash Services PMI	45.5	43.7	High
23rd September 07:15pm	United States	Flash Manufacturing PMI	51.0	51.5	Medium
23rd September 11:30pm	United States	Fed Chair Powell Speaks	-	-	High

Nirmal Bang Securities - Daily Bullion News and Summary

❖ Gold fluctuated after Japan intervened in the foreign exchange market and central banks around the world followed the Federal Reserve with further monetary policy tightening. Japan's Ministry of Finance moved to halt a slide of the yen against the dollar, the country's top currency official Masato Kanda said Thursday. After the Fed's third consecutive large-sized rate hike, central banks in Switzerland, Norway and Britain announced hikes of their own as officials rush to rein in rampant price increases. The greenback fell after Japan's intervention before clawing back its losses, while bond yields climbed. Bullion usually has a negative correlation with the dollar and rates as it's priced in the US currency and doesn't pay any interest. The Fed's rate hikes this year have weighed on bullion, with spot prices down 8.6% and investor holdings of exchange-traded funds -- a key pillar in driving gold prices to all-time highs in 2020 -- declining for four consecutive months as of August.

❖ Gold in China is trading at a huge premium to international prices as a revival in demand outstrips the country's imports. Benchmark prices in Shanghai have climbed to a premium of more than $43 an ounce over their London equivalent, the highest since 2019, according to data from the World Gold Council. Unusually, the two have steadily diverged over the course of the month, with the Chinese market remaining relatively firm despite pressure on international prices. The difference shows how demand in China is outstripping supply, which is constrained by government policy. Only accredited banks in the country are allowed to import gold, with quantities set by the People's Bank of China. Banks will likely receive new imports quotas after the holiday in October, according to a person familiar with the matter. Local importers have recently been struggling to get shipments approved by Chinese lenders, according to people familiar with the matter, a sign they may have used up their existing quotas. Although China's gold imports in August surged to a four-year high, there's still a shortfall dating from the start of the pandemic, when purchases from overseas collapsed. Imports weakened again this spring as jewelry demand took a hit after the financial center of Shanghai was locked down to control the virus. While much of the country continues to be affected by virus curbs and sporadic shutdowns, jewelry demand is improving, particularly ahead of the week-long national holiday at the start of next month, according to consultancy Metals Focus. That in turn could help bolster international prices, which are under the cosh due to rising interest rates around the world.

❖ The gold coins that have been in circulation in Zimbabwe for almost three months are a missed chance to build the nation's gold reserves, according to the International Monetary Fund. "The sale of gold coins has contributed to withdrawing Zimbabwe dollar liquidity from the market, though it represents an opportunity cost in terms of foregone reserves for the Reserve Bank of Zimbabwe," an IMF spokesperson said Thursday in an emailed response to Bloomberg questions. John Mangudya, the central bank governor, didn't immediately respond to calls to his mobile phone seeking comment. The coins are widely credited with helping halt the decline in the parallel market rate for the Zimbabwe dollar. That's allowed it to converge with the official rate, which has plunged more than 80% against the US currency this year. Gold output in the southern African nation surged 41% in the first eight months of the year to 22,290 kilograms from a year earlier. The country aims to produce 35 tons of bullion in 2022.

❖ Bond traders pushed Treasury yields sharply higher on Thursday as they anticipate the Federal Reserve will keep policy rates elevated well into 2023. Longer-dated tenors led the climb, including the 10-year note which rose 18 basis points to the highest level since 2011. The selloff erased gains posted after Wednesday's Fed decision to raise the policy rate for a fifth time, a three-quarter-point increase aimed at throttling inflation. The prospect of additional hikes stoked recession fears. Thursday's selloff had additional authors including comparable price action in the UK bond market, a heavy slate of new corporate bonds for the first time this week, an auction of Treasury inflation-protected securities later in the day and speculation that Japan's intervention to support the yen might entail selling of Treasuries. Exits from profitable yield-curve flattening wagers, eroded liquidity and piling-on were also cited as drivers. But mainly, traders faulted the initial reaction to Wednesday's rate hike and outlook. "If the US Fed terminal is heading to 4.5% to 5%, then the US 10-year needs to be open to 3.75% to 4%," said Gregory Faranello, head of US rates trading and strategy at AmeriVet Securities. "Ultimately, the entire curve is shifting higher. And needs to. The Fed is saying higher, and higher for longer. So inversion remains a key theme," but the anticipated peak "is meaningful to absolute long-end rates along the way."

❖ The UK government's plan to stimulate the economy raises "difficult" issues for the Bank of England as it tries to cut inflation from near its highest in 40 years, a member of the central bank's policy-making panel said. Jonathan Haskel, who sits on the BOE's nine-member Monetary Policy Committee, indicated the economy has little capacity to absorb a big fiscal expansion from the Treasury because of tightness in supply chains and labor market. "We're in an uncomfortable position," Haskel said at a panel discussion in London on Thursday. "The difficulty with the fiscal expansion is we're doing it in the context of a very tight labor market and difficulties in China, which mean that our supply chains are rather compromised." The comments underscore the trade-offs facing the BOE as it raises interest rates to keep inflation from spreading across the economy. Raising borrowing costs also threatens to tip the UK into recession, while Prime Minister Liz Truss's government is planning to announce a package of measures to stimulate growth. The BOE on Thursday hiked rates by half a point to take the benchmark to 2.25%. Haskel was one of three BOE officials to vote for a 75-basis-point hike, arguing the incoming fiscal stimulus would boost demand and feed inflation.

❖ **Fundamental Outlook:** Gold and silver prices are trading flat on international bourses. We expect precious metals prices on Indian bourses to trade slightly higher for the day. We recommend buy on dips in gold and silver in intra-day trading sessions bullion pared losses of as much 1.1% on Thursday after Japan intervened in the foreign exchange market to strengthen its currency, causing the greenback to slide and bond yields to climb. Still, it continues to trade near a two-year low, and could enter a bear market as the dollar remains at record levels.

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	48300	48550	48800	50000	50200	50500
Silver – MCX	December	56200	56900	57500	58300	59000	59700

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Nirmal Bang Securities - Daily Currency Market Update

Dollar Index

LTP/Close	Change	% Change
111.35	0.71	0.64

Bond Yield

10 YR Bonds	LTP	Change
United States	3.7138	0.1840
Europe	1.9610	0.0720
Japan	0.2370	-0.0220
India	7.3120	0.0780

Emerging Market Currency

Currency	LTP	Change
Brazil Real	5.1168	-0.0562
South Korea Won	1411.3	-2.0500
Russia Rubble	59.4191	-0.3041
Chinese Yuan	7.0781	0.0161
Vietnam Dong	23696	8
Mexican Peso	19.9463	-0.0037

NSE Currency Market Watch

Currency	LTP	Change
NDF	81.31	0.03
USDINR	80.9425	0.9375
JPYINR	56.7975	1.165
GBPINR	91.5425	0.765
EURINR	79.91	0.4725
USDJPY	142.6	-1.35
GBPUSD	1.1308	-0.0035
EURUSD	0.988	-0.0046

Market Summary and News

❖ Japan intervened to prop up the yen for the first time since 1998, after its central bank sparked further declines in the currency by sticking with ultra-low interest rates as its global peers hiked. The yen rose as much as 2.3% against the dollar, pulling back sharply from the lows of the day when it had breached a key psychological level of 145, as top currency official Masato Kanda said Thursday the government was taking decisive action. The intervention shows that Prime Minister Fumio Kishida's government has reached the limit of its patience after the yen tumbled around 20% against the dollar this year as hedge funds kept adding to short bets on the yen. The question now is whether the unilateral action will work, with the currency already paring gains within hours. The currency jumped five yen against the dollar in under an hour, touching an intraday high of 140.70, before trading at around 142.73 at 7:33 pm in Tokyo. Earlier, it had weakened to 145.90 as the Bank of Japan stuck to holding rates down even as the Federal Reserve hiked for the fifth time this year. "The government is concerned about excessive moves in the foreign exchange markets, and we took decisive action just now. We're seeing speculative moves behind the current sudden and one-sided moves in the foreign exchange market.," Kanda said late afternoon. The intervention, ordered up by the Ministry of Finance, comes with risks if it fails to scare off speculators. At best, their action can help to slow the pace of yen depreciation. The move alone is not likely to alter the underlying trend unless the dollar, US Treasury yields turn lower or the BOJ tweaks its monetary policy. BOJ Governor Haruhiko Kuroda insisted at a briefing in the Tokyo afternoon there were no rate hikes in the works and guidance on future policy would not be change for the time being, even for as long as two or three years in principle. Still, his influence over policy will fade next April when he steps down.

❖ Kuroda's stance sets him apart from other central banks that had also previously had negative rates, with the European Central Bank and the Swiss National Bank all hiking to deal with surging inflation. The MOF cannot sustainably move the market on its own. Still, Thursday's move was needed as Japan heads into a long weekend starting Friday and after inaction from the Bank of Japan and comments from Governor Haruhiko Kuroda invited speculative bets against the battered currency. For the time being, we could see some unwinding of yen shorts, particularly if the BOJ continues to intervene in the market on the behalf of the finance ministry over early next week. What it probably does is buy Japan some time, in the hope that broad USD strength moderates somewhat and any further yen depreciation can be slowed.

❖ The Bank of England delivered a second consecutive half-point hike in its battle to bring down inflation, as three officials pushed for the institution to join its global peers in moving at an even quicker pace. The move to 2.25% was backed by five of the nine-member Monetary Policy Committee, including Governor Andrew Bailey, while one voted for a smaller move. Policy makers also unanimously endorsed plans to start reducing the mammoth government bond holdings built up since the financial crisis over a decade ago. The committee said it would "respond forcefully as necessary" if inflationary pressures look more persistent, and added a reference that the upward risk could come from stronger demand. That, coupled with the push for a three-quarter point move from some officials, may set the stage for a bigger hike later this year. Officials also lowered their forecast for peak inflation from more than 13% to less than 11% and suggested a deep recession may be averted as a result of new Prime Minister Liz Truss's energy relief plan. The 50-basis-point increase in rates was predicted by most economists, although markets saw around a 60% chance of the BOE following the Federal Reserve and others in raising rates by 75 basis points.

❖ While the BOE lowered its forecast for peak inflation in October, it said it expects the measure to stay above 10% for a few months after that high-point. The government's energy price freeze will also "limit the reduction" in household spending forecast in August, it said, a hint that the deep recession predicted last month may be less severe than expected. That freeze will be announced at Friday's mini-budget, the full impact of which will be reflected in the November forecast round. However, the prospect of stronger consumer demand is likely to add to inflationary pressures in the medium term, the committee said. Officials also projected a technical recession in the second and third quarters of 2022, as the economy takes a hit from the extra bank holiday for the funeral of Queen Elizabeth II.. Against a backdrop of more persistent price pressures and signs of a tight labor market, Dave Ramsden, Catherine Mann and Jonathan Haskel pushed for a 75 basis-point hike, arguing that incoming fiscal support will also add to demand.

Key Market Levels for the Day

	S3	S2	S1	R1	R2	R3
USDINR Spot	80.3000	80.5000	80.7000	81.0000	81.2800	81.4500

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Nirmal Bang Securities - Bullion Technical Market Update

Gold Market Update

Market View	
Open	49314
High	50175
Low	49314
Close	50000
Value Change	557
% Change	1.13
Spread Near-Next	2301
Volume (Lots)	8732
Open Interest	6673
Change in OI (%)	-15.21%

Gold - Outlook for the Day

Gold prices are trading supportive around $ 1650-1655; where we can initiate long positions for the target of 1700-1710.

BUY GOLD OCT (MCX) AT 49800 SL 49550 TARGET 50100/50300

Silver Market Update

Market View	
Open	56961
High	58497
Low	56961
Close	58027
Value Change	729
% Change	1.27
Spread Near-Next	1973
Volume (Lots)	22870
Open Interest	15671
Change in OI (%)	-4.98%

Silver - Outlook for the Day

Silver prices are taking support around $ 19.30-19.40; where you can go long for target of $ 19.85-19.95.

BUY SILVER DEC (MCX) AT 57500 SL 56900 TARGET 58500/59000

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Nirmal Bang Securities - Currency Technical Market Update

USDINR Market Update

Market View	
Open	80.76
High	80.985
Low	80.16
Close	80.9425
Value Change	0.9375
% Change	1.17
Spread Near-Next	0.2225
Volume (Lots)	5998796
Open Interest	3221988
Change in OI (%)	1.03%

USDINR - Outlook for the Day

USDINR witnessed a gap up at 80.76 followed by a session in green marking the high at 80.98 with closure near the same. USDINR has formed a green candle with closure in higher highs and lows indicating strong bullish momentum. The pair has given closure above the short, medium and long term SMA on the daily chart. USDINR, if trades below 80.85, pair will head towards 80.50. Whereas, momentum above 81.10; will lead the pair to test the highs of 81.25 – 81.38. 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	80.4000	80.6000	80.8000	81.1000	81.2500	81.3800

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