



Daily Bullion Physical Market Report

Date: 27th January 2023

Daily India Spot Market Rates

Description	Purity	AM	PM
Gold	999	57138	57138
Gold	995	56909	56909
Gold	916	52338	52338
Gold	750	42854	42854
Gold	585	33426	33426
Silver	999	67947	67894

*Rate as exclusive of GST as of 25th January 2023 Gold is Rs/10 Gm & Silver in Rs/Kg

Gold and Silver 999 Watch

Date	GOLD*	SILVER*
25 th January 2023	57138	67894
24 th January 2023	57322	68137
23 rd January 2023	57044	68273
20 th January 2023	57050	68453

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

COMEX Futures Watch

Description	Contract	Close	Change	%Chg
Gold(\$/oz)	FEB 23	1946.70	-12.70	-0.65
Silver(\$/oz)	MAR 23	24.02	0.08	0.33

ETF Holdings as on Previous Close

ETFs	Long	Short
SPDR Gold	919.37	2.03
iShares Silver	14,935.69	25.75

Gold and Silver Fix

Description	LTP
Gold London AM Fix(\$/oz)	1936.45
Gold London PM Fix(\$/oz)	1932.45
Silver London Fix(\$/oz)	23.71

Bullion Futures DGCX

Description	Contract	LTP
Gold(\$/oz)	FEB. 23	1931.3
Gold Quanto	FEB. 23	57485
Silver(\$/oz)	MAR. 23	24.04

Gold Ratio

Description	LTP
Gold Silver Ratio	81.04
Gold Crude Ratio	24.03

Weekly CFTC Positions

	Long	Short	Net
Gold(\$/oz)	145586	52229	93357
Silver	47033	18991	28042

MCX Indices

Index	Close	Net Change	% Chg
MCX iCOMDEX Bullion	15739.47	14.23	0.09 %

Macro-Economic Indicators

Time	Country	Event	Forecast	Previous	Impact
27th January 07:00 pm	United States	Core PCE Price Index m/m	0.3 %	0.2 %	High
27th January 08:30 pm	United States	Pending Home Sales m/m	-1.0 %	-4.0 %	Medium
27th January 08:30 pm	United States	Revised UoM Consumer Sentiment	64.6	64.6	Medium



Nirmal Bang Securities - Daily Bullion News and Summary

❖ Gold fell after data indicated that US growth remains strong, diminishing expectations that the Federal Reserve will shift toward rate cuts any time soon. US gross domestic product rose at a 2.9% annualized rate in the fourth quarter, beating analysts' expectations, while initial jobless claims were lower than expected. The prints underline strength of the US economy, even as the Fed tightens monetary policy. Gold had rallied in recent weeks — hitting a nine-month high — on bets the central bank may cut rates later this year in the face of a weakening economy. Data on Thursday also showed that personal consumption, the biggest part of the economy, climbed at a below-forecast 2.1% pace. Meanwhile, the Fed's preferred price gauge rose at the slowest pace in two years. Gold is now on track for a third monthly gain, while holdings in bullion-backed exchange-traded funds have risen in recent days. That's a sign more investors are beginning to back the rally.

❖ Market ructions are the immediate worry as the European Central Bank prepares to retreat from €5 trillion (\$5.4 trillion) of bond holdings, but the exit is raising more fundamental questions about how it will set interest rates over the coming years. So-called quantitative tightening, alongside nudging banks into handing back cheap loans, form part of an epic fight with inflation that's brought the fastest hikes in borrowing costs in ECB history. But how far officials ultimately push QT will also help determine whether the deposit rate remains their key monetary-policy lever, or whether they revert to closely managing the amount of cash banks have on hand and instead guide borrowing costs through a corridor of interest rates. A concrete answer could take some time — QT will probably drag on for years. But, with an eye on the experiences of the Federal Reserve and the Bank of England, policymakers are already weighing the options and may offer clues in the months ahead. The ECB has promised to review how it steers short-term rates by the end of this year — helping decide how much of its bond portfolio may be jettisoned. The ECB's largest bond portfolio could shrink by about €210 billion this year if policymakers lift a €15 billion initial cap on reductions that they've set for the early months of QT, which kicks off in March. Decreases will happen as officials simply allow debt to mature, rather than reinvesting the proceeds like they do now. Outright sales aren't currently envisaged.

❖ Polymetal International Plc, a gold-miner with major assets in Russia and Kazakhstan, is looking into re-domiciling to the Kazakh capital from Jersey, as it looks for a jurisdiction deemed to be "friendly" by Russia. The Astana International Financial Centre, or AIFC, is the preferred jurisdiction for tax and legal reasons, given that the firm has significant operations in Kazakhstan, Polymetal said in a statement on Wednesday. It added that no decision has been made. Operations in Russia account for about 70% of the firm's sales, with the rest from Kazakhstan. The company in July indicated that it planned to sell its Russian unit, but the move stalled as the Kremlin banned the sale of strategic assets by owners registered in jurisdictions it considers non-friendly after Ukraine's invasion. Polymetal was also initially considering Dubai and Hong Kong, but Kazakhstan is seen as most beneficial, according to a company presentation published Wednesday. In September, the miner said that it was evaluating all available options to modify its holding structure in order to maximize shareholder value, including potential move to re-domicile the parent company in a "friendly" jurisdiction. Neither Polymetal or its shareholders, including billionaire Alexander Nesis, have been targeted by European or American sanctions.

❖ Polymetal International Plc, a gold-miner with assets in Russia and Kazakhstan, says the Russian market may be more attractive than the international this year due to local demand and state support. "It may so happen that the domestic markets in 2023 will be significantly more attractive compared to the export markets," Chief Executive Officer Vitaly Nesis told investors in London. There may be "huge investment in physical gold by the state entities," he added. In addition, retail demand "for gold bullion exploded in the second half of last year" due to tax changes. Russia is the world's second-biggest gold producer, mining over 330 tons (10.6 million ounces) of the precious metal in 2021. Since the invasion of Ukraine, Russian gold has been shunned in the West, with flows to trading hubs like London and New York drying up. Russia's central bank, once the biggest gold buyer globally, hasn't resumed purchases at significant volumes. Polymetal sold most of its gold to Asia last year, Nesis said, without elaborating. "It's a crowded market with lots of Russian producers trying to sell into the same channels," he added. This year may be different. In December, Russia raised the amount of Chinese yuan and gold it can hold in its national wealth fund — a change that could encourage state buying, according to Nesis. Retail demand in Russia remains strong, growing to 45 tons per year at the end of 2022, from 5 tons in 2021, he said. To spur sales, Russia canceled value added tax on retail gold purchases from last March, after more than a decade of discussions. In July, retail buyers were exempt from profit tax on gold purchases through the end of 2023.

❖ German Chancellor Olaf Scholz's government must be careful not to undermine the European Central Bank's inflation fight by taking on unnecessary debt, according to the country's chief economic adviser. The danger that inflation expectations deanchor still can't be ignored, Monika Schnitzer who leads an independent five-member panel that monitors the economy, told journalists in Frankfurt. That means the ECB's campaign to raise interest rates "isn't and shouldn't be over yet." "Fiscal impulses mustn't become so big that they make the ECB's life harder than it already is," Schnitzer said. "We asked the government to please make sure not to take on too much debt, for things that aren't necessary." Scholz's ruling coalition has earmarked tens of billions of euros to help households and businesses hit by soaring power costs. The federal government plans to issue a record volume of debt this year to fund its generous aid that includes a cap on gas prices. With inflation in Germany and the euro zone still close to 10%, the ECB is pushing on with tightening. It raised rates by a total of 250 basis points in the second half of last year and is widely expected to deliver another half-point step next week. More hikes are likely to follow as policymakers unwind their bond holdings starting in March. Schnitzer argued that while the ECB was late in kicking off rate increases, it has since acted "quickly and with determination."

❖ **Fundamental Outlook:** Gold and silver prices are trading slightly lower today on international bourses. We expect precious metals prices on Indian bourses to trade range-bound to slightly lower for the day. We recommend sell on rise in gold and silver in intra-day trading sessions, after gold steadied after reaching its highest closing price in nine months, with its haven status bolstered by the latest US data that spotlighted growing recessionary fears even as inflationary pressures remain.

Key Market Levels for the Day

Time	Month	S3	S2	S1	R1	R2	R3
Gold – COMEX	February	1855	1875	1895	1925	1945	1965
Silver – COMEX	March	23.35	23.65	23.85	24.10	24.25	24.50
Gold – MCX	February	56500	56700	56850	57000	57200	57350
Silver – MCX	March	67000	67700	68200	68800	69300	69850



Nirmal Bang Securities - Daily Currency Market Update

Dollar Index

LTP/Close	Change	% Change
101.84	0.20	0.19

Bond Yield

10 YR Bonds	LTP	Change
United States	3.4947	0.0531
Europe	2.2090	0.0580
Japan	0.4930	0.0470
India	7.3490	0.0030

Emerging Market Currency

Currency	LTP	Change
Brazil Real	5.0702	-0.0065
South Korea Won	1231	-0.6500
Russia Rubble	69.5772	0.3023
Chinese Yuan	6.7845	0.009
Vietnam Dong	23449	0
Mexican Peso	18.794	0.0061

NSE Currency Market Watch

Currency	LTP	Change
NDF	81.6	0.04
USDINR	81.615	-0.05
JPYINR	62.935	0.165
GBPINR	100.4575	-0.0775
EURINR	88.685	-0.0225
USDJPY	129.67	-0.44
GBPUSD	1.2304	-0.0006
EURUSD	1.0866	-0.0002

Market Summary and News

❖ The US economy beat expectations in the last quarter of 2022, posting the kind of mild slowdown that the Federal Reserve wants to see as it attempts to tame inflation without choking off growth. Gross domestic product rose at a 2.9% annualized pace, down from 3.2% in the third quarter. A separate report on labor markets published Thursday also pointed to a resilient economy, rather than one on the verge of a slump, with weekly jobless claims unexpectedly falling. For the Fed, which has hiked interest rates at the steepest pace in a generation over the past year, the data suggest that there's still a path to what's known as a soft landing. That's a scenario in which tighter monetary policy cools household spending and lowers inflation but avoids squeezing the economy so hard that it ignites mass layoffs nationwide.

❖ India's federal budget due Feb. 1 will focus on supporting growth and balancing fiscal pressures, instead of resorting to populism before elections. There will be some temptation to go for populist measures. But that would mean to expect them to not bode that line. Prime Minister Narendra Modi is expected to prioritize macroeconomic stability by sticking to fiscal consolidation path in his final full-year budget before national polls in 2024. The government aimed to narrow its budget deficit to 6.4% of the GDP in the fiscal ending March and economists see it falling below 6% next year. The expectation is that the government to present a credible fiscal consolidation roadmap to attract investors. The administration should allocate more funds for its rural employment program and also consider a similar proposal for the urban sector to support job creation. India's unemployment rate rose to a 16-month high in December, increasing challenges for the government amid slowing growth that has been impacted due to weaker demand at home and abroad.

❖ The pound slipped after data showing a slump in UK business confidence added to the growing view that stubbornly high inflation and slowing growth has already pushed the economy into recession. Government bonds inched up, supported by the possibility that a cut in interest rates will be needed later this year. The pound pared gains after rising as much as 0.2% to the day's high 1.2430 versus the dollar. Having climbed nearly 3% so far this month to reach a seven-month high, the pound may struggle to make lasting gains above 1.24 for now. Gilts edge up, with the 10-year yield easing nearly 1bps. Markets are pricing in another 50bps hike by BOE when it meets next week; RBC strategists expect that next week's move could be the last hike in the current tightening campaign, which could hurt the pound.

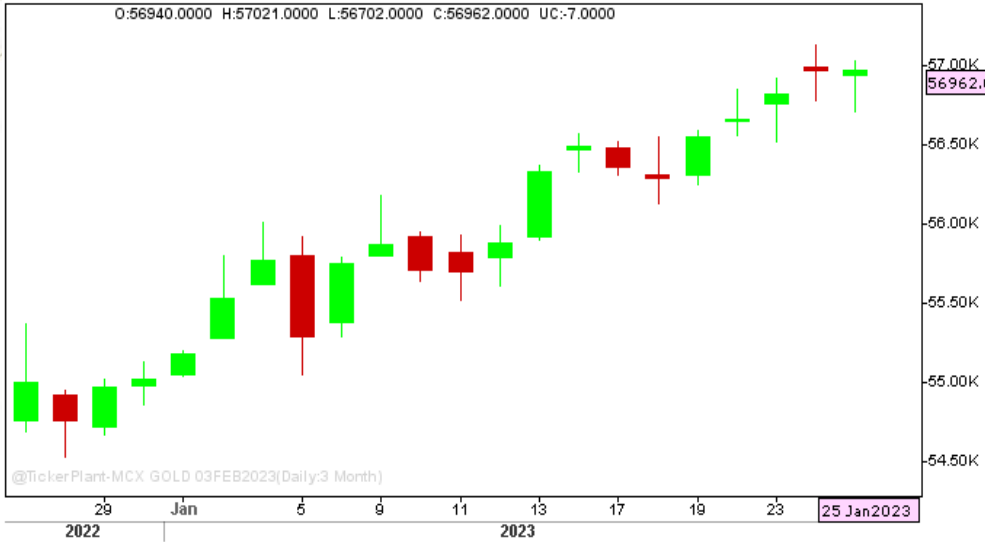
Key Market Levels for the Day

	S3	S2	S1	R1	R2	R3
USDINR Spot	80.8000	81.0000	81.2000	81.6500	81.8000	81.9500



Nirmal Bang Securities - Bullion Technical Market Update

Gold Market Update



Market View	
Open	56940
High	57021
Low	56702
Close	56962
Value Change	-7
% Change	-0.01
Spread Near-Next	503
Volume (Lots)	5172
Open Interest	4818
Change in OI (%)	0.00%

Gold - Outlook for the Day

Gold is likely to witness some profit takings, try to sell on rise around \$ 1935-40 zone where we can see more supply coming in. The target for the short positions could be around \$ 1900-1890 levels.

SELL GOLD FEB (MCX) AT 57000 SL 57200 TARGET 56750/56500

Silver Market Update



Market View	
Open	68497
High	68745
Low	67943
Close	68676
Value Change	134
% Change	0.2
Spread Near-Next	1083
Volume (Lots)	16434
Open Interest	18375
Change in OI (%)	0.00%

Silver - Outlook for the Day

Silver too looks weak and can see supply zone around \$ 24.30-40 levels. We recommend to go short for the target of \$ 23.80-50.

SELL SILVER MARCH (MCX) AT 68800 SL 69300 TARGET 68200/67700



Nirmal Bang Securities - Currency Technical Market Update

USDINR Market Update



Market View	
Open	81.665
High	81.7825
Low	81.49
Close	81.615
Value Change	-0.05
% Change	-0.06
Spread Near-Next	0.7739
Volume (Lots)	3326395
Open Interest	2380337
Change in OI (%)	0.00%

USDINR - Outlook for the Day

USDINR witnessed a weak open at 81.66 followed by zig-zag momentum with closure in red at 81.61. USDINR has formed a small red candle with shadow on either side with sideways closure indicating indecisiveness in the pair. The pair on the daily chart pair has closed above short term SMA indicating support coming in USDINR. USDINR, if trades below 81.55, pair will head towards 81. Whereas, momentum above 81.78; will lead the pair to test the high of 81.95. The daily strength indicator RSI and momentum oscillator Stochastic both are trading below their reference line indicating weakness ahead.

Key Market Levels for the Day

	S3	S2	S1	R1	R2	R3
USDINR December	80.8000	81.0000	81.3000	81.7500	81.9500	82.1500



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Since 1919



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