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India Bullion and Jewellers Associations Ltd.

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Daily Bullion Physical Market Report

Date: 30th May 2023

Daily India Spot Market Rates

Description	Purity	AM	PM
Gold	999	59973	60012
Gold	995	59733	59772
Gold	916	54935	54971
Gold	750	44979	45009
Gold	585	35084	35107
Silver	999	70969	70782

*Rate as exclusive of GST as of 29th May 2023 Gold is Rs/10 Gm & Silver in Rs/Kg

Gold and Silver 999 Watch

Date	GOLD*	SILVER*
29 th May 2023	60012	70782
26 th May 2023	60142	70500
25 th May 2023	60680	71129
24 th May 2023	60680	71129

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

COMEX Futures Watch

Description	Contract	Close	Change	%Chg
Gold(\$/oz)	AUG 23	1963.10	0.80	0.04
Silver(\$/oz)	JUL 23	23.36	0.45	1.96

ETF Holdings as on Previous Close

ETFs	Long	Short
SPDR Gold	941.29	0.00
iShares Silver	14,565.78	0.00

Gold and Silver Fix

Description	LTP
Gold London AM Fix(\$/oz)	-
Gold London PM Fix(\$/oz)	-
Silver London Fix(\$/oz)	-

Bullion Futures DGCX

Description	Contract	LTP
Gold(\$/oz)	JUN. 23	1962.3
Gold Quanto	JUN. 23	59439
Silver(\$/oz)	MAY. 23	23.32

Gold Ratio

Description	LTP
Gold Silver Ratio	84.04
Gold Crude Ratio	27.01

Weekly CFTC Positions

	Long	Short	Net
Gold(\$/oz)	148165	30775	117390
Silver	43901	30724	13177

MCX Indices

Index	Close	Net Change	% Chg
MCX iCOMDEX Bullion	16000.09	-18.15	-0.11 %

Macro-Economic Indicators

Time	Country	Event	Forecast	Previous	Impact
30th May 06:30 PM	United States	HPI m/m	0.2%	0.5%	Low
30th May 06:30 PM	United States	S&P/CS Composite-20 HPI y/y	-1.7%	0.4%	Low
30th May 07:30 PM	United States	CB Consumer Confidence	99.1	101.3	High



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Nirmal Bang Securities - Daily Bullion News and Summary

❖ Gold held near the lowest level since mid-March as investors weighed the chances of the US debt-ceiling deal being passed, and also its impact on government spending. President Joe Biden and House Speaker Kevin McCarthy voiced confidence their tentative agreement will pass Congress, where it will be voted on as early as Wednesday. Still, the terms offer plenty for both sides to dislike, and the deal could add to recession risk as it would cap federal spending used to support US growth. While a sharper-than-expected downturn could add to bullion's haven appeal; that would likely be outweighed by the possibility of more interest rate hikes. The yield on rate-sensitive two-year Treasuries has risen sharply over the past couple of weeks, suggesting stubborn inflation is going to prevent the Federal Reserve from pausing. Higher rates are typically negative for non-interest bearing gold. The dollar remains elevated, near a six-week high, another headwind for the precious metal as it makes it more expensive for most buyers.

❖ Exchange-traded funds added 216,552 troy ounces of gold to their holdings in the last trading session, bringing this year's net purchases to 455,497 ounces, according to data compiled by Bloomberg. The purchases were equivalent to \$421.5 million at the previous spot price. Total gold held by ETFs rose 0.5 percent this year to 94.2 million ounces, the highest level since Nov. 3, 2022. Gold advanced 6.7 percent this year to \$1,946.46 an ounce and by 0.3 percent in the latest session. State Street's SPDR Gold Shares, the biggest precious-metals ETF, maintained its holdings in the last session. The fund's total of 30.3 million ounces has a market value of \$58.9 billion. ETFs cut 3.32 million troy ounces of silver from their holdings in the last trading session, bringing this year's net purchases to 477,031 ounces. This was the biggest one-day decrease since March 17.

❖ Iraq's central bank boosted its gold reserves by about 2% in a single day last week as part of what it calls a gradual plan to stock up on the precious metal that's seen as a traditional haven in times of economic distress. Iraq bought 2.5 tons of bullion on Thursday to bring its reserves to 132.73 tons, Mazin Sabah, director general of the central bank's investments department, said in an interview in Baghdad. The strategy is to acquire more gold in the second half of the year, Sabah said. "Our current plan is to buy small quantities over multiple times, not a big quantity in one goes," Sabah said. Central banks around the world are expanding their holdings of bullion amid escalating geopolitical and economic risks. Iraq, OPEC's second-biggest oil producer, resumed gold purchases in 2022 after a four-year hiatus, under a program to diversify its roughly \$100 billion in foreign assets. Iraq's central bank bought 34 tons of gold last June, a one-time increase of 35% in its holdings. It stores bullion with the Bank of England and the Bank of France. Sabah said the central bank's approach is to add to its gold reserves whenever the precious metal's price reaches a level that matches the investment department's guidelines. Gold, this was within touching distance of a record earlier this month, had its third consecutive weekly loss as signs of resilience in the US economy increased the likelihood that the Federal Reserve will keep raising interest rates. The metal is more appealing to investors for returns when rates are low. Gold demand from central banks fell to 228.4 tons in the first quarter, down 40% from the preceding three months, according to a report from the World Gold Council. While that's still strong, it's the second straight quarter of decline, a sign the institutions' historic bullion binge may be coming to an end.

❖ The cap on government spending in Washington's deal to raise the federal debt limit adds a fresh headwind to a US economy already burdened by the highest interest rates in decades and reduced access to credit. The tentative deal crafted by President Joe Biden and House Speaker Kevin McCarthy over the weekend — assuming it's passed by Congress in coming days — avoids the worst-case scenario of a payments default triggering financial collapse. But it also could, even if at the margin, add to risks of a downturn in the world's largest economy. Federal spending in recent quarters has helped support US growth in the face of headwinds including a slump in residential construction, and the debt-limit deal is likely to at least damp that impetus. Two weeks before the debt-limit deal, economists had calculated the chance of a recession in the coming year at 65%, a Bloomberg survey showed. For Federal Reserve policy makers, the spending cap is a fresh consideration to account for as they update their own projections for growth and the benchmark interest rate, which are due for release June 14. Futures traders as of late last week were pricing in no change in rates for the mid-June policy meeting, with one final 25 basis-point hike seen in July. The spending limits are expected to be applied starting with the fiscal year beginning Oct. 1, though it's possible small effects will emerge before then — such as through clawbacks of Covid assistance or the impact of phasing out forbearance toward student debt. Those would be unlikely to show up in GDP accounts, however.

❖ The European Central Bank is getting nearer to the point where it can stop raising borrowing costs, but it has some way to go yet as it seeks to bring inflation under control, according to Governing Council member Pablo Hernandez de Cos. "We think that we still have some way to go in tightening monetary policy, although we also think that we are closer to the end," de Cos, who is head of Spain's central bank, said on Monday at an online event organized by the Incipe institute. The ECB has raised interest rates steeply already and, while pondering the end of its unprecedented monetary-tightening campaign, still plans further hikes. After tightening by 375 basis points since July, additional quarter-point moves are likely at the next two meetings, with some policymakers suggesting more may be needed in September. Euro-zone inflation data this week will probably show frustratingly slow progress toward the ECB's 2% target. Consumer prices rose 6.3% in May from a year earlier, according to the median forecast in a Bloomberg survey. That's down from 7% in April. Economists' estimates for an underlying measure that strips out volatile elements such as energy point to a little-changed outcome of 5.5%.

❖ **Fundamental Outlook:** Gold and silver prices are trading mix today on international bourses. We expect precious metals prices on Indian bourses to trade range-bound to slightly higher for the day. We recommend buy on dips in gold and silver in intra-day trading sessions, as investors weighed potential headwinds to getting a US debt-ceiling deal through Congress, including opposition from environmentalists, defense hawks and conservative hard-liners.

Key Market Levels for the Day

Time	Month	S3	S2	S1	R1	R2	R3
Gold – COMEX	July	1930	1945	1960	1990	2020	2045
Silver – COMEX	Aug	23.10	23.45	23.70	23.95	24.10	24.40
Gold – MCX	June	59000	59200	59400	59700	59850	60050
Silver – MCX	July	69700	70300	71000	71550	72000	72700



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Nirmal Bang Securities - Daily Currency Market Update

Dollar Index

LTP/Close	Change	% Change
104.21	-0.05	-0.04

Bond Yield

10 YR Bonds	LTP	Change
United States	3.7983	0.0000
Europe	2.4320	-0.1050
Japan	0.4410	0.0200
India	7.0300	0.0240

Emerging Market Currency

Currency	LTP	Change
Brazil Real	5.0177	0.023
South Korea Won	1324.6	-1.6000
Russia Rubble	80.5001	1.1257
Chinese Yuan	7.0711	0.0071
Vietnam Dong	23472	-9
Mexican Peso	17.5895	-0.0365

NSE Currency Market Watch

Currency	LTP	Change
NDF	82.7	-0.01
USDINR	82.715	0.025
JPYINR	59.3475	-0.2275
GBPINR	102.1375	-0.2675
EURINR	88.8	-0.1925
USDJPY	139.31	0.16
GBPUSD	1.2351	-0.0039
EURUSD	1.0733	-0.0031

Market Summary and News

❖ Indian bond traders will await a 255.5b-rupee (\$3.1b) state debt sale to gauge demand. 10-year yields rose 2bps to 7.03% on Monday. USD/INR up 0.1% at 82.6313; implied opening from forwards suggest spot may start trading around 82.63. The Indian rupee could drop beyond its record low of 83.29 against the US dollar irrespective of whether the US defaults or not, Stephen Chiu and Chunyu Zhang, strategists at Bloomberg Intelligence wrote in a note. India's trade deficit and growth risk are rupee headwinds. If there's a default, risk aversion could boost the dollar temporarily, and the dollar might still gain support once the Fed pushes back against rate-cut expectations. Technical analysis suggests the rupee could drop further against the dollar after some consolidation. After spot USD/INR inked a record high of 83.29 in October 2022, 83 became firm resistance, and the pair has been consolidating between 81.6 and 83.0 since February. Fibonacci retracements show 81.78 could be one technical support. Overseas investors bought 17.6b rupees of Indian stocks on Monday, provisional NSE data showed. They withdrew 1.1 billion rupees of corporate debt. State-run banks bought 31.4 billion rupees of sovereign bonds on May 29: CCIL data. Foreign banks sold 15.9 billion rupees of bonds.

❖ Dollar Spot Index was little changed as a tentative deal to avoid a US debt default failed to spur fresh bets in thin holiday trading. BBDXY fell by as much as 0.2% during Asian hours before erasing its losses during the European session; the gauge is up by 2.6% since May 10 as position rebalancing into month-end takes over. The Australian dollar rallied the most against the greenback among its Group-of-10 peers as US equity futures advanced and as higher-beta FX attempts to rebound. US President Joe Biden and House Speaker Kevin McCarthy sealed a tentative deal to suspend the debt limit. It still has to pass Congress. There is no cash trading of US Treasuries globally. AUD/USD up 0.4% to 0.6542, after touching 0.6554 day high; USD/JPY gapped lower at the open, yet the move was short-lived; it trades 0.2% lower at 140.36, versus 140.03 day low. The pair rose to 140.92 earlier, a fresh cycle high; modest demand emerged for topside exposure over the one-month tenor, a Europe-based trader says; options-related support seen around 140, flows during the Tokyo fix were very thin. EUR/USD swings between gains and losses, trades 0.15 lower at 1.0714; cable pares a 0.2% advance to trade little changed at 1.2342.

❖ Turkish stocks rallied the most since May 11 as investors wait for President Recep Tayyip Erdogan to unveil an economy team which he pledged would have "international credibility." The lira retreated. The benchmark Borsa Istanbul 100 Index climbed as much as 4.8%, before trading up 4.5% as of 12:47pm in Istanbul. That puts Turkey's main equities index on course to erase the losses notched up between the first and second round of the presidential elections. The lira weakened 0.5% against the dollar. The stock market is pulling ahead on optimism that investors in Turkish assets can start putting the uncertainty sparked by the election process behind and that Erdogan's new economy team will prove more market-friendly, said Haydar Acun, managing partner at Marmara Capital Portfoy in Istanbul. "Whether these gains will continue hinges on the likelihood of a change in the economy team toward a more orthodox one," he said. Erdogan promised a new economic team that has "international credibility" during his victory speech late on Sunday as he highlighted inflationary pressures buffeting the economy and hinted at a potential rethinking rethink of an unorthodox policy mix based on ultra low interest rates and heavy state interventions in markets. Erdogan is expected to announce his new cabinet as soon as Friday, according to two Turkish officials familiar with the matter. Former Finance Minister Mehmet Simsek will "continue to contribute to policies on economy" regardless of whether he's part of a new cabinet, Erdogan's spokesman Ibrahim Kalin said in an interview with A Haber TV, in a response to a question whether he'll be part of the new economy team.

Key Market Levels for the Day

	S3	S2	S1	R1	R2	R3
USDINR Spot	82.3075	82.4075	82.5050	82.6325	82.7225	82.8350



Nirmal Bang Securities - Bullion Technical Market Update

Gold Market Update



Market View	
Open	59406
High	59631
Low	59260
Close	59419
Value Change	66
% Change	0.11
Spread Near-Next	80
Volume (Lots)	4777
Open Interest	1238
Change in OI (%)	-207.35%

Gold - Outlook for the Day

Gold prices are supported at lower levels like \$ 1940-30 and likely to bounce back to \$ 1980; we are recommending going long for a pullback till \$ 1970-80.

BUY GOLD JUNE (MCX) AT 59400 SL 59100 TARGET 59700/59850

Silver Market Update



Market View	
Open	71550
High	71556
Low	71054
Close	71125
Value Change	-104
% Change	-0.15
Spread Near-Next	0
Volume (Lots)	6247
Open Interest	13826
Change in OI (%)	1.56%

Silver - Outlook for the Day

Silver looks to take a pullback till \$ 23.70-23.90; we are recommending going long between \$ 23.00-22.90 for the target of \$ 23.90-24.00.

BUY SILVER JULY (MCX) AT 71000 SL 70300 TARGET 72000/72500



Nirmal Bang Securities - Currency Technical Market Update

USDINR Market Update



Market View	
Open	82.7
High	82.7675
Low	82.605
Close	82.715
Value Change	0.025
% Change	0.03
Spread Near-Next	-0.1653
Volume (Lots)	2700012
Open Interest	2616452
Change in OI (%)	30.12%

USDINR - Outlook for the Day

USDINR June future had a flat open at 82.70 followed by a session and continued with minimal buying from lower range of the market marking high at 82.76. The pair has given 23.6% retracement of Fibonacci level and formed long green candle facing strong resistance placed at 82.78 level. The pair has close below of 10days EMA placed at 82.73. On the daily chart by the momentum indicator RSI trailing between 58-65 level, MACD given crossover below zero-line. We are anticipating USDINR May futures to trade in the range of 82.55–82.75 for today.

Key Market Levels for the Day

	S3	S2	S1	R1	R2	R3
USDINR May	82.4450	82.5225	82.6250	82.7875	82.8825	82.9550



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