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India Bullion and Jewellers Associations Ltd.

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Daily Bullion Physical Market Report

Date: 31st May 2023

Daily India Spot Market Rates

Description	Purity	AM	PM
Gold	999	59981	60402
Gold	995	59741	60160
Gold	916	54942	55328
Gold	750	44985	45302
Gold	585	35088	35335
Silver	999	70323	70861

*Rate as exclusive of GST as of 30th May 2023 Gold is Rs/10 Gm & Silver in Rs/Kg

Gold and Silver 999 Watch

Date	GOLD*	SILVER*
30 th May 2023	60402	70861
29 th May 2023	60012	70782
26 th May 2023	60142	70500
25 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)	1949.50
Gold London PM Fix(\$/oz)	1952.45
Silver London Fix(\$/oz)	23.26

Bullion Futures DGCX

Description	Contract	LTP
Gold(\$/oz)	AUG. 23	1978.7
Gold Quanto	AUG. 23	59966
Silver(\$/oz)	JUL. 23	23.32

Gold Ratio

Description	LTP
Gold Silver Ratio	85.08
Gold Crude Ratio	28.46

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	15981.94	95.51	0.60 %

Macro-Economic Indicators

Time	Country	Event	Forecast	Previous	Impact
31st May 06:20 PM	United States	FOMC Member Bowman Speaks	-	-	Low
31st May 07:15 PM	United States	Chicago PMI	-1.7%	0.4%	Low
31st May 07:30 PM	United States	JOLTS Job Openings	99.1	101.3	High
31st May 10:00 PM	United States	FOMC Member Harker Speaks	-	-	Medium
31st May 11:00 PM	United States	FOMC Member Jefferson Speaks	-	-	Low
31st May 11:30 PM	United States	Beige Book	-	-	Low



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Nirmal Bang Securities - Daily Bullion News and Summary

❖ Gold gained yesterday as Treasury yields slumped on hopes that US Congress will pass a debt-ceiling deal to avoid a default. President Joe Biden and Republican House Speaker Kevin McCarthy expressed confidence that they can muster the necessary support for the bill before voting commences, which could be as soon as Wednesday. The agreement has gained early support from prominent members of each party's moderate and pragmatist wings. Investors will be closely watching employment data set to be released this week amid mounting expectations the Federal Reserve is likely to raise interest rates again in June or July to rein in stubborn inflation. The prospect has weighed on gold in recent weeks, as higher rates are typically negative for non-interest bearing bullion.

❖ Exchange-traded funds added 16,608 troy ounces of gold to their holdings in the last trading session, bringing this year's net purchases to 472,105 ounces, according to data compiled by Bloomberg. The purchases were equivalent to \$32.3 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 6.5 percent this year to \$1,943.19 an ounce and by 0.3 percent in the latest session.

❖ AngloGold Ashanti Ltd. said it's working with security forces in Ghana after its Obuasi operation was invaded by illegal miners, as bullion smuggling proliferates across Africa. Accra-based broadcaster Citi FM reported earlier that more than 300 illegal miners entered a shaft of Obuasi to search for gold deposits after they had tried unsuccessfully to gain employment from AngloGold. The company denied a report by Citi FM that those miners had been confined to the shaft, adding that security personnel are on standby at exit points. African nations are trying to crack down on illegal mining, which deprives them of essential revenue, while fueling conflict and financing criminal and terrorist networks. Those activities span the continent from West Africa's Sahel region to the central African copperbelt, all the way to South Africa's gold and platinum mines. "Intrusion of illegal miners into underground areas remains a significantly dangerous activity and AngloGold Ashanti Ghana is working alongside authorities to ensure that only authorized mine personnel and contractors can access underground work areas," the company's Ghana unit said in a statement on Tuesday. In Ghana, illegal mining tends to lure young men with few employment alternatives and has been a persistent issue for the gold investors, which also include Johannesburg-based Gold Fields Ltd. and US miner Newmont Corp. Much of Africa's illegally mined gold is channeled to Dubai through refineries in countries like Uganda and Rwanda, or is flown there directly in hand luggage, often with false papers, according to government and industry officials, UN experts and civil rights groups. Gold smuggling is an age-old practice, but it became all the more rewarding as the price of bullion soared to a record \$2,075 an ounce in August 2020.

❖ Federal Reserve Bank of Richmond President Thomas Barkin said he is looking for signs that demand is cooling to be convinced that US inflation will ease. "I believe you need to bring inflation down by bringing demand down," Barkin said Tuesday during a virtual event hosted by the National Association for Business Economics. "I'm looking to be convinced that demand is in fact coming down, and that that will then start to bring inflation down." Noting that price growth has slowed, he said: "However I look at it, it just looks like inflation is too high." Data out last week showed the personal consumption expenditures price index and a core measure that excludes food and energy, the Fed's preferred inflation gauges, both exceeded projections. Fed officials raised the central bank's benchmark rate above 5% earlier this month and signaled they may be ready to pause the rapid tightening campaign they began last year. Stronger-than-expected economic data since then have built market expectations for another rate hike in June. Barkin didn't comment on what move he is likely to favor at the Fed's June 13-14 policy meeting, though he cited a monthly Bureau of Labor Statistics report due Friday as an important input to the decision.

❖ US bond yields slumped from the highest levels since March as investors evaluated the possible economic consequences of the holiday weekend accord to temporarily suspend the federal debt ceiling, and amid an expected wave of month-end-related buying. Treasury rates on 3- to 10-year maturities led the move, falling at least 10 basis points. The two-year yield, more sensitive than longer maturities to the outlook for Federal Reserve policy, declined for the first time in 12 trading days. Also, crude oil slumped and US stocks failed to hold early gains, adding to demand for havens. The debt-limit agreement reached between President Joe Biden and House Speaker Kevin McCarthy adds a headwind to a US economy already facing recession risk, even as the spending cuts it calls for are less dire than some predictions. As such, it may affect the outlook for additional Fed policy tightening. "We think the pendulum has swung too far in terms of Fed expectations over the next two meetings," NatWest Markets strategists led by John Briggs, global head of desk strategy, said in a note. Fed officials have been "trying to send the message that rates will remain unchanged this year." Swaps traders are pricing in about 18 basis points of policy tightening for June, more than 60% of a quarter-point rate increase, and fully pricing in a hike by July, a more hawkish outlook than on Friday. However longer-dated contract rates declined, pricing in higher expectations for rate cuts in 2024. Persistent bets that the Fed is apt to raise rates next month drove a flattening of the Treasury curve. Early Tuesday the 30-year yields fell below the five-year for the first time since March. Bank of Richmond Fed President Thomas Barkin said Tuesday that he is looking for signs that demand is cooling to be convinced that US inflation will ease.

❖ **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 higher for the day. We recommend buy on dips in gold and silver in intra-day trading sessions, as investors assessed the possible impact of a US debt-ceiling deal that could add another headwind to an already fragile economy.

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	59300	59550	59800	60100	60300	60550
Silver – MCX	July	69500	70200	70800	71450	72000	72600



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Nirmal Bang Securities - Daily Currency Market Update

Dollar Index

LTP/Close	Change	% Change
104.17	-0.04	-0.04

Bond Yield

10 YR Bonds	LTP	Change
United States	3.6866	-0.1118
Europe	2.3390	-0.0930
Japan	0.4350	-0.0060
India	7.0100	-0.0200

Emerging Market Currency

Currency	LTP	Change
Brazil Real	5.0376	0.0199
South Korea Won	1325	0.4000
Russia Rubble	80.8966	0.3965
Chinese Yuan	7.0799	0.0088
Vietnam Dong	23483	11
Mexican Peso	17.6578	0.0683

NSE Currency Market Watch

Currency	LTP	Change
NDF	82.78	0.04
USDINR	82.78	0.065
JPYINR	59.5075	0.16
GBPINR	102.8175	0.68
EURINR	88.9775	0.1775
USDJPY	139.09	-0.22
GBPUSD	1.2426	0.0075
EURUSD	1.0751	0.0018

Market Summary and News

❖ Investor concerns about the debt ceiling have ebbed now that lawmakers in Washington are pushing toward the finish line an in-principle deal struck by President Joe Biden and House Speaker Kevin McCarthy, but until everything is fully implemented the Treasury Department is maneuvering on the assumption that the government could still exhaust its borrowing authority. Yields on Treasury bills maturing in the first half of June fell after a deal to avoid breaching the \$31.4 trillion debt ceiling eased concern over the prospect of a calamitous US default. Bills due June 6 yielded 5.2%, down from more than 7% at one point last week. At the same time, the Treasury said on Tuesday it will continue paying down its stock of bills as it navigates around debt-ceiling issues ahead of legislation being finalized. Meanwhile, the amount of money the US government has to pay its bills rebounded slightly at the end of last week, according to new data released Tuesday. The Treasury's cash pile, which was at the lowest level since 2017, climbed on Friday to give the administration a little more breathing room under the statutory debt limit. The White House and Republican congressional leaders geared up lobbying campaigns to win approval of the deal to avert a US default as environmentalists, defense hawks and conservative hard-liners condemned concessions. The debt-ceiling agreement would suspend the debt ceiling until Jan. 1, 2025, setting up a fight in early 2025 over the tax cuts passed during the administration of former President Donald Trump, some of which expire after 2025, Stifel strategist Brian Gardner said in a note to clients.

❖ Indian bond traders will look forward to release of the GDP data later on Wednesday for the central bank's rate trajectory. A fall in crude prices and US yields may help bonds at open. Gross domestic product probably grew 5% in Jan.-March quarter y/y, according to a Bloomberg survey. Likely rose 7% in the year to March 2023, that's in with a government forecast made three months ago. USD/INR rose 0.1% to 82.7188 on Tuesday. Implied opening from forwards suggest spot may start trading around 82.70. 10-year yields fell 2bps to 7.01% on Tuesday. While banking system liquidity has been in mild surplus since April, core liquidity surplus shrunk considerably, led by volatility in govt surplus and a skewed liquidity distribution – which had also significantly influenced overnight rates in most of May, writes Madhavi Arora, economist at Emkay Global Financial Services. However, system liquidity surplus has improved in recent days due to heavy bond redemptions followed by government spending, while higher-than-budgeted dividend payout could further improve liquidity. This will be further aided by consistent FX reserve build-up and seasonal moderation in currency demand. We estimate 700b-900b rupees of durable liquidity impact on account of the note withdrawal. However, 2HFY24 may still see liquidity on a relatively tighter side, albeit less tight than assumed earlier. Even assuming lower annual currency leakage than usual and a mild BoP surplus of \$4-5b, system liquidity will still be strained, in the absence of meaningful RBI intervention. To that extent, this liquidity addition through new deposit base would ease off some liquidity pressure and thus may moderate (but not eliminate) the need of durable liquidity addition by the RBI in the form of OMOs/CRR cut in latter part of FY24. Overseas investors bought 20.9b rupees of Indian stocks on Tuesday, provisional NSE data showed. They bought 420 million rupees of sovereign bonds under limits available to foreign investors, and added 1.91 billion rupees of corporate debt. State-run banks sold 2.06 billion rupees of sovereign bonds on May 30: CCIL data. Foreign banks bought 8.26 billion rupees of bonds.

❖ A Bloomberg gauge of the greenback pared losses to trade almost flat on the day as traders contemplated fresh US economic data and the contours of a debt-ceiling agreement struck over the long holiday weekend. The yen held on to gains after advancing the most in 11 days, while US Treasury yields extended declines. The Bloomberg Dollar Spot Index pared losses of as much as 0.3% to trade down less than 0.1% the day; the US 10-year yield tumbled 11 bps to 3.69%. Even as yields fell, swap traders are still fully pricing in a rate hike by the Federal Reserve's July policy meeting. Conference Board consumer confidence data was better than estimated; FHFA monthly housing data also surprised on the upside. The yen was the best-performing G10 currency against the dollar Tuesday, with USD/JPY falling 0.4% to 139.84 as the pair broke back below the key 140.00 level. An unscheduled meeting between Japanese officials culminated in a statement from currency official Masato Kanda that the government "will take appropriate responses if necessary" in response to yen weakening. "Today's meeting is likely to make sure mechanisms are still in place to intervene if needed," said David Forrester, senior FX strategist at Credit Agricole CIB. The headlines spurred profit-taking in USD/JPY as intervention speculation could start making the rounds, a Europe-based trader said. The euro reversed losses, gaining 0.1% to 1.0718 EUR/USD, after earlier falling to a March level of 1.0673. The European Central Bank may raise rates by a quarter-point at its next two meetings, according to Governing Council member Gediminas Simkus, as reported by the BNS news service. Traders trimmed bets on rate hikes by the ECB but in line with Fed and BOE pricing. The euro is down 2.7% on a monthly basis and forms a Bearish Engulfing Line to suggest further losses may be due on a technical basis. The Norwegian krone and Swedish krona led losses in the Group-of-10 as WTI crude slumped more than 4% to \$69.74 per barrel, with USD/NOK gaining 0.9% to 11.2059 and USD/SEK up 0.7% to 10.8819. Sterling remained bid, with GBP/USD 0.3% higher to 1.2392; real money demand for cable supports, another trader in Europe said. AUD/USD eases a 0.6% drop to trade at 0.6512, 0.4% lower on the day.

Key Market Levels for the Day

	S3	S2	S1	R1	R2	R3
USDINR Spot	82.3875	82.5175	82.6050	82.7525	82.8625	82.9750



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Nirmal Bang Securities - Bullion Technical Market Update

Gold Market Update



Market View

Open	59514
High	60100
Low	59274
Close	59998
Value Change	499
% Change	0.84
Spread Near-Next	0
Volume (Lots)	8778
Open Interest	14939
Change in OI (%)	8.05%

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 59800 SL 59550 TARGET 60100/60300

Silver Market Update



Market View

Open	71000
High	71448
Low	70484
Close	71043
Value Change	-82
% Change	-0.12
Spread Near-Next	0
Volume (Lots)	13575
Open Interest	14106
Change in OI (%)	1.98%

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 70800 SL 70200 TARGET 71800/72300



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Nirmal Bang Securities - Currency Technical Market Update

USDINR Market Update



Market View

Open	82.85
High	82.8725
Low	82.3
Close	82.78
Value Change	0.065
% Change	0.08
Spread Near-Next	-0.2303
Volume (Lots)	1725626
Open Interest	2655232
Change in OI (%)	1.46%

USDINR - Outlook for the Day

USDINR future had a gap up opening at 82.85 followed by a session and continued with profit taking from higher level at 82.87. The pair has formed long red candle facing strong resistance placed at 82.90 levels. The pair has taken support of 10 days EMA placed at 82.70. 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 82.60–82.80 for today.

Key Market Levels for the Day

	S3	S2	S1	R1	R2	R3
USDINR June	82.5050	82.6025	82.7050	82.8575	82.9525	82.0350



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