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# India Bullion and Jewellers Associations Ltd.

## Since 1919



## Daily Bullion Physical Market Report

**Date: 20<sup>th</sup> September 2023**

### Daily India Spot Market Rates

Description	Purity	AM	PM
Gold	999	59320	59324
Gold	995	59082	59086
Gold	916	54337	54341
Gold	750	44490	44493
Gold	585	34702	34705
Silver	999	72115	72212

Rate as exclusive of GST as of 18<sup>th</sup> September 2023 Gold is Rs/10 Gm & Silver in Rs/Kg

### Gold and Silver 999 Watch

Date	GOLD*	SILVER*
18 <sup>th</sup> September 2023	59324	72212
15 <sup>th</sup> September 2023	59016	71853
14 <sup>th</sup> September 2023	58697	70306
13 <sup>th</sup> September 2023	58791	70925

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

### COMEX Futures Watch

Description	Contract	Close	Change	%Chg
Gold(\$/oz)	Dec 23	1953.70	0.30	0.02
Silver(\$/oz)	Dec 23	23.46	-0.04	-0.18

### ETF Holdings as on Previous Close

ETFs	In Tonnes	Net Change
SPDR Gold	880.27	0.00
iShares Silver	14,000.73	273.77

### Gold and Silver Fix

Description	LTP
Gold London AM Fix(\$/oz)	1935.00
Gold London PM Fix(\$/oz)	1934.90
Silver London Fix(\$/oz)	23.33

### Bullion Futures DGCX

Description	Contract	LTP
Gold(\$/oz)	OCT. 23	1934.9
Gold Quanto	OCT. 23	59279
Silver(\$/oz)	DEC. 23	23.49

### Gold Ratio

Description	LTP
Gold Silver Ratio	83.29
Gold Crude Ratio	21.42

### Weekly CFTC Positions

	Long	Short	Net
Gold(\$/oz)	130952	81156	49796
Silver	32232	31048	1184

### MCX Indices

Index	Close	Net Change	% Chg
MCX iCOMDEX Bullion	15785.25	4.53	0.03 %

### Macro-Economic Indicators

Time	Country	Event	Forecast	Previous	Impact
20 <sup>th</sup> September 11:30 PM	United States	Federal Funds Rate	5.50%	5.50%	High
20 <sup>th</sup> September 11:30 PM	United States	FOMC Economic Projections	-	-	High
20 <sup>th</sup> September 11:30 PM	United States	FOMC Statement	-	-	High
21 <sup>st</sup> September 12:00 AM	United States	FOMC Press Conference	-	-	High



## Nirmal Bang Securities - Daily Bullion News and Summary

❖ Gold was steady yesterday after three days of gains as investors wait for interest rate decisions by major central banks. Monetary policy will be determined at key meetings across half of the Group of 20, with the US Federal Reserve paving the way from Wednesday. Swaps markets see rates remaining high across developed economies, which is generally negative for non-interest bearing bullion. The metal has risen nearly 1.5% since Thursday, bouncing back from near \$1,900 an ounce. That level has held for the past six months, keeping bullion trapped in a relatively tight range.

❖ Gold shipments from Europe's key refining hub rose to 123.5 tons in August from 115.1 tons in July as sales to India increased, according to data on the website of the Swiss Federal Customs Administration. Shipments to India almost tripled to 26.3 tons. Sales to China rose 1% to 25.4 tons. Exports to the UK dropped to 1.5 tons from 19.1 tons. Sales to the US fell 9% to 0.7 tons. Shipments to Hong Kong rose from near zero to 1.4 tons. Sales to Turkey dropped 58% to 14.9 tons. Swiss gold imports climbed 10% to 163.6 tons.

❖ Gold Fields Ltd. will decide whether to keep or dispose of its stake in its smallest gold asset within the next four months, according to interim Chief Executive Officer Martin Preece. The Johannesburg-listed firm is "exploring all the options" for the Asanko gold mine in Ghana, including a total divestiture or a move to boost its ownership, Preece told Bloomberg. The company entered into a joint venture agreement to operate the mine with Vancouver-based Galiano Gold Inc. in 2018. It produced 170,342 bullion ounces last year but expects output to drop to 120,000 to 130,000 ounces in 2023 as the asset ages. "One way or another, I think in the next three or four months we'll have a resolution on the way forward with Galiano," said Preece Tuesday at the Denver Gold Forum. Preece said the company also plans to announce a new CEO within the next two weeks after recently completing the final rounds of interviews with candidates. Gold Fields is just beginning a search for a new chief financial officer after Paul Schmidt retired in August, he said.

❖ The European Central Bank will keep interest rates at 4% for as long as needed to tame inflation, Governing Council member Francois Villeroy de Galhau said — indicating he doesn't favor future increases at this stage. "Looking at the situation today, we think that is a good level and barring surprises — we are pragmatic, we look at how inflation evolves — it's more important now to be patient, to be tenacious," he told BFM TV Tuesday. "We have the right dose, but we have to take the medicine for a sufficiently long time and we will see the deceleration of inflation." The comments come after the ECB raised borrowing costs last week for a 10th successive meeting — despite push-back from more cautious officials. President Christine Lagarde said she can't say if that will be the peak, and more hawkish colleagues have since stressed it may not be the last hike. The current level is a "plateau, but I won't say anything on the length of the plateau," he said. "We are very pragmatic: we look at how the illness, inflation, evolves. There are the first encouraging signs, but as the illness diminishes, and one day disappears, that's to say we get back toward 2%, we will stop taking the medicine and at that point ECB rates can come back down. We are not there today. It's important to be patient." He's likely to be encouraged by data published just after he spoke showing that euro-area inflation slowed in August, though staying above 5%.

❖ An expected increase in UK inflation is making the Bank of England's already difficult decision on when to halt rate hikes even harder. UK inflation data due out Wednesday will likely show that price gains notched higher to 7% last month from 6.8% in July, according to the median of more than 30 estimates in a Bloomberg survey. It would mark the first acceleration since February, with economists attributing the move to fuel price fluctuations. While some downturn in inflation had been anticipated by the BOE, it would make for a complicated backdrop when policymakers meet the next day to decide whether to raise rates for what could be the last time of the cycle. All but one of the more than 50 economists surveyed by Bloomberg believes the bank will increase the key rate by 25 basis points Thursday to 5.5%, a view overwhelmingly endorsed by financial markets. Speculation that the bank might pause after its next increase has intensified after dovish comments by Governor Andrew Bailey and BOE Chief Economist Huw Pill — and the European Central Bank's own efforts to change course. Traders have pared back bets on subsequent BOE increases, pricing in a 60% chance of an additional hike by February. The UK's economic outlook has darkened since June, bolstering arguments that 14 consecutive rate hikes are beginning to take their toll on output. The risk of continued price increases while the broader economy stalls has stoked concern that Britain, along with Europe, is headed toward a period of "stagflation."

**Fundamental Outlook:** Gold and silver prices are trading slightly lower on the international bourses. We expect gold and silver prices to trade range-bound to higher for the day, as gold prices are steady ahead of a Federal Reserve policy decision amid expectations US interest rates will stay higher for longer to curb inflation. While Chair Jerome Powell and his colleagues are expected to hold borrowing costs steady later today, swaps markets are pricing in elevated rates across developed economies for some time yet.

## Key Market Levels for the Day

Time	Month	S3	S2	S1	R1	R2	R3
Gold – COMEX	Dec	1900	1915	1930	1946	1960	1978
Silver – COMEX	Dec	22.90	23.15	23.35	23.50	23.72	23.88
Gold – MCX	Oct	58750	59000	59200	59400	59650	59800
Silver – MCX	Dec	71000	71700	72300	72800	73300	73800



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## Nirmal Bang Securities - Daily Currency Market Update

### Dollar Index

LTP/Close	Change	% Change
105.13	-0.07	-0.07

### Bond Yield

10 YR Bonds	LTP	Change
United States	4.3586	0.0561
Europe	2.7350	0.0300
Japan	0.7180	0.0030
India	7.1910	-0.0070

### Emerging Market Currency

Currency	LTP	Change
Brazil Real	4.867	0.0121
South Korea Won	1328.5	4.1500
Russia Rubble	96.9694	0.4389
Chinese Yuan	7.2973	0.0061
Vietnam Dong	24342	-34
Mexican Peso	17.0834	-0.0521

### NSE Currency Market Watch

Currency	LTP	Change
NDF	83.41	-0.04
USDINR	83.3525	0.1675
JPYINR	56.575	0.1675
GBPINR	103.3475	0.07
EURINR	88.975	0.26
USDJPY	147.32	-0.2
GBPUSD	1.24	-0.0017
EURUSD	1.0671	0.001

### Market Summary and News

❖ The rupee may open with a positive bias as crude prices ease before the Federal Reserve's policy decision. The currency closed within a whisker of its record low on Monday. USD/INR rose 0.1% to 83.2688 on Monday; pair rose to a record high of 83.2912 last October. Implied opening from forwards suggest spot may start trading around 83.19. 10-year yields dropped 1bp to 7.19% on Monday. Indian markets were closed Tuesday for a local holiday. For USD/INR, 83 acts as a support while a break of 83.30 may open the door for 83.50. Overseas investors sold 12.4b rupees of Indian equities on Monday, provisional NSE data show. They bought 900m rupees of sovereign bonds under limits available to foreign investors, and added 1.41b rupees of corporate debt. State-run banks bought 7.27b rupees of sovereign bonds on Sept. 18: CCIL data. Foreign banks bought 31.8m rupees of bonds.

❖ The dollar erased losses seen earlier in New York trading as investors await a slew of central bank policy decisions this week, starting with the Federal Reserve on Wednesday. Hotter-than-expected Canadian CPI data released Tuesday stoked global concerns of resurgent inflation ahead of the meeting, boosting the loonie to a six-week high and lifting Treasury yields. The Bloomberg Dollar Spot Index little changed after falling as much as 0.3%, staying within range seen over the last week. The yield on 5-year Treasuries reached its highest level since 2007 after the release of Canada data. Commodity currencies lead G-10 gains against the dollar as WTI earlier traded up to its highest level since Nov. 7 before erasing advance. USD/CAD falls as much as 0.8% to 1.3381, its biggest drop since June 15, before paring losses; Canadian dollar is only G-10 currency to gain against USD so far in September. Canada CPI grew 0.4% month-over-month (0.2% expected) and 4.0% year-over-year (3.8% expected). "Much of the strength was due to factors like rising energy prices and mortgage interest costs, which is mechanically related to higher rates," wrote Citi strategist Veronica Clark after the release. "But most concerning for the BoC is that the core inflation measures also rose further and were revised higher." Bonds sold off, with the yield on Canada's 10-year debt touching multi-year highs. USD/JPY nears 148 resistance but fails to break through, session high seen up 0.2% at 147.92; offshore real money added yen longs: trader. Options bets on the yen show some traders are positioning for no policy shift by the Bank of Japan on Friday, with implied volatility coming under further pressure. One-week USD/JPY volatility slips 82 basis points to 9.64%, down a second day and around 150 basis points below its Friday high when the BOJ meeting rollover made for support. One-week risk reversals at 168 basis points in favor of yen topside. EUR/USD slips 0.1% to 1.0679; corporate demand seen during the London session, a Europe-based trader says. Divergence between the spread of 10-delta one-week calls and puts in EUR/USD and spot price action suggests a rebound may be due. Euro-area inflation slowed last month after all, according to revised data; core inflation was confirmed at 5.3%. GBP/USD gains 0.1% to 1.2392; hedge funds add to shorts ahead of the BOE, albeit not in large clips, another trader in the region says. AUD/USD reverses losses to trade 0.3% higher at 0.6457.

### Key Market Levels for the Day

	S3	S2	S1	R1	R2	R3
USDINR Spot	83.0075	83.1075	83.1855	83.2875	83.3550	83.4575



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## Nirmal Bang Securities - Bullion Technical Market Update

### Gold Market Update



Market View	
Open	58913
High	59275
Low	58913
Close	59259
Value Change	266
% Change	0.45
Spread Near-Next	509
Volume (Lots)	3439
Open Interest	9012
Change in OI (%)	0.00%

### Gold - Outlook for the Day

**BUY GOLD OCT (MCX) AT 59200 SL 59000 TARGET 59450/59600**

### Silver Market Update



Market View	
Open	72222
High	72639
Low	72042
Close	72570
Value Change	416
% Change	0.58
Spread Near-Next	0
Volume (Lots)	14099
Open Interest	16360
Change in OI (%)	0.00%

### Silver - Outlook for the Day

**SELL SILVER DEC (MCX) AT 72800 SL 73500 TARGET 72000/71700**



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## Nirmal Bang Securities - Currency Technical Market Update

### USDINR Market Update



Market View	
Open	83.15
High	83.37
Low	83.115
Close	83.3525
Value Change	0.1675
% Change	0.2
Spread Near-Next	0
Volume (Lots)	2283937
Open Interest	3525554
Change in OI (%)	0.00%

### USDINR - Outlook for the Day

The USDINR future witnessed a flat opening at 83.15, which was followed by a session that showed buying from lower levels with candle closures near the highs. A long green candle formed for the USDINR price as it taken the support of 10 day moving average placed at 83.13. On the daily chart, the momentum indicator RSI trailing between 56-62 level, while MACD has made a negative crossover above the zero-line. We are anticipating that the price of USDINR futures will fluctuate today between 83.28 and 83.45.

### Key Market Levels for the Day

	S3	S2	S1	R1	R2	R3
USDINR September	83.1025	82.2075	83.3075	83.4525	83.5525	83.6575





**Nirmal Bang Securities – Commodity Research Team**

Name	Designation	Email
Kunal Shah	Head of Research	<a href="mailto:kunal.shah@nirmalbang.com">kunal.shah@nirmalbang.com</a>
Devidas Rajadhikary	AVP Commodity Research	<a href="mailto:devidas.rajadhikary@nirmalbang.com">devidas.rajadhikary@nirmalbang.com</a>
Harshal Mehta	AVP Commodity Research	<a href="mailto:harshal.mehta@nirmalbang.com">harshal.mehta@nirmalbang.com</a>
Ravi D'souza	Sr. Research Analyst	<a href="mailto:ravi.dsouza@nirmalbang.com">ravi.dsouza@nirmalbang.com</a>
Smit Bhayani	Research Associate	<a href="mailto:smit.bhayani@nirmalbang.com">smit.bhayani@nirmalbang.com</a>
Utkarsh Dubey	Currency Research Associate	<a href="mailto:Utkarsh.dubey@nirmalbang.com">Utkarsh.dubey@nirmalbang.com</a>

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