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India Bullion and Jewellers Associations Ltd.

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Daily Bullion Physical Market Report

Date: 21st September 2023

Daily India Spot Market Rates

Description	Purity	AM	PM
Gold	999	59386	59317
Gold	995	59148	59079
Gold	916	54398	54334
Gold	750	44540	44488
Gold	585	34741	34700
Silver	999	72074	72204

Rate as exclusive of GST as of 20th September 2023 Gold is Rs/10 Gm & Silver in Rs/Kg

Gold and Silver 999 Watch

Date	GOLD*	SILVER*
20 th September 2023	59317	72204
18 th September 2023	59324	72212
15 th September 2023	59016	71853
14 th September 2023	58697	70306

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

COMEX Futures Watch

Description	Contract	Close	Change	%Chg
Gold(\$/oz)	Dec 23	1967.10	13.40	0.69
Silver(\$/oz)	Dec 23	23.84	0.38	1.62

ETF Holdings as on Previous Close

ETFs	In Tonnes	Net Change
SPDR Gold	878.83	-1.44
iShares Silver	14,000.73	0.00

Gold and Silver Fix

Description	LTP
Gold London AM Fix(\$/oz)	1930.15
Gold London PM Fix(\$/oz)	1943.35
Silver London Fix(\$/oz)	23.28

Bullion Futures DGCX

Description	Contract	LTP
Gold(\$/oz)	OCT. 23	1938
Gold Quanto	OCT. 23	59425
Silver(\$/oz)	DEC. 23	23.62

Gold Ratio

Description	LTP
Gold Silver Ratio	82.53
Gold Crude Ratio	21.94

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	15789.78	60.76	0.38 %

Macro-Economic Indicators

Time	Country	Event	Forecast	Previous	Impact
21 st September 04:30 PM	Britain	MPC Official Bank Rate Votes	7-0-2	8-0-1	High
21 st September 04:30 PM	Britain	Official Bank Rate	5.50%	5.25%	High
21 st September 06:00 PM	United States	Unemployment Claims	224K	220K	High
21 st September 06:00 PM	United States	Philly Fed Manufacturing Index	-1.1	12.0	Medium
21 st September 06:00 PM	United States	Current Account	-220B	-219B	Low
21 st September 07:30 PM	Europe	ECB President Lagarde Speaks	-	-	Medium
21 st September 07:30 PM	United States	Existing Home Sales	4.10M	4.07M	Medium
21 st September 07:30 PM	United States	CB Leading Index m/m	-0.5%	-0.4%	Low



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Nirmal Bang Securities - Daily Bullion News and Summary

❖ Gold pared gains after the Federal Reserve left its benchmark interest rate unchanged while signaling borrowing costs will likely stay higher for longer after one more hike this year. The US central bank's policy-setting Federal Open Market Committee, in a post-meeting statement published Wednesday in Washington, repeated language saying officials will determine the "extent of additional policy firming that may be appropriate." The FOMC held its target range for the federal funds rate at 5.25% to 5.5%, while updated quarterly projections showed 12 of 19 officials favored another rate hike in 2023, underscoring a desire to ensure inflation continues to decelerate. Fed officials also see less easing next year, according to the new projections, reflecting renewed strength in the economy and labor market. Still, bullion held ground in the face of surging bond yields, with Treasury two-year yields climbing to the highest level since 2006. Higher interest rates tend to curb investor demand for non-yielding assets like commodities. Several other developed-market central banks will report this week, including the Bank of England, which may impact metals prices. Fed Chairman Jerome Powell said he would not call a so-called "soft landing" for the US economy his baseline expectation. "I would not do that," Powell told reporters Wednesday in response to a question during a press conference following the central bank's two-day policy meeting. "Ultimately, this may be decided by factors that are outside our control by the end of the day. But I do think it's possible," Powell said. "I also think this is why we are in a position to move carefully."

❖ Russia became the United Arab Emirates' top source of gold last year after Western countries imposed sanctions on supplies following the Kremlin's invasion of Ukraine. The UAE last year imported 96.4 tons of gold from Russia, more than any other country, according to the United Nations' Comtrade database. That's roughly a third of Russia's annual mine production, and a more than 15-fold increase year-on-year in the UAE's gold imports from the country. The UAE has long been a key hub for precious metals, particularly from Africa and India, but last year was the first time it played a major role in trading Russian gold. Before the war, almost all of Russia's bullion was shipped to London, the world's top market, but it rapidly became taboo among the banks that used to handle it. Western sanctions have severed Russia's usual export routes, forcing the country's miners to find new ways to sell their metal. Little-known traders in Dubai, Istanbul and Hong Kong have taken over the trade, Bloomberg reported earlier this year. Other key suppliers of gold to the UAE last year were Mali and Ghana, which shipped 95.7 tons and 81 tons respectively. Switzerland was the top destination for the Arab nation's gold exports, taking 145 tons.

❖ Exchange-traded funds cut 92,693 troy ounces of gold from their holdings in the last trading session, bringing this year's net sales to 4.9 million ounces, according to data compiled by Bloomberg. This was the 13th straight day of declines, the longest losing streak since Aug. 9. The sales were equivalent to \$179 million at yesterday's spot price. Total gold held by ETFs fell 5.2 percent this year to 88.9 million ounces, the lowest level since March 26, 2020. Gold advanced 5.9 percent this year to \$1,931.36 an ounce and fell by 0.1 percent in the latest session. State Street's SPDR Gold Shares, the biggest precious-metals ETF, pared its holdings by 46,390 ounces in the last session. The fund's total of 28.3 million ounces has a market value of \$54.6 billion. ETFs added 4.06 million troy ounces of silver to their holdings in the last trading session, bringing this year's net sales to 31.7 million ounces. This was the biggest one-day increase since June 21.

❖ Federal Reserve Chair Jerome Powell made clear Wednesday the central bank is close to done raising interest rates, but his colleagues delivered the message that resonated: Borrowing costs must remain higher for longer amid renewed strength in the economy. After a series of rapid rate hikes over the past 18 months, the Fed can now "proceed carefully," Powell said — a sentiment he repeated at least a dozen times Wednesday during a press conference that followed the central bank's decision to leave rates unchanged. In quarterly economic projections released following a two-day policy meeting, 12 of 19 Fed officials said they still expect to raise rates once more this year. The bigger takeaway for investors was the revelation that policymakers see fewer rate cuts than previously anticipated in 2024, in part due to a stronger labor market. The projections also showed they expect inflation to fall below 3% next year, and return to their 2% target by 2026. In other words, the "soft landing" for the US economy that looked more remote three months ago now seems within reach. The US economy has so far been resilient against the Fed's historic tightening campaign, which lifted the target range for the federal funds rate from nearly zero in March 2022 to 5.25% to 5.5% in July, a 22-year high. Consumer spending remains strong and the labor market has been steady, though job growth is starting to moderate. That strength bodes well for the Fed's efforts to cool inflation without sending the economy into a recession, but it's also raised concern at the central bank that the inflation fight could be prolonged. The new projections reflected that. Fed officials now expect their benchmark rate to be at 5.1% by the end of next year, according to their median estimate, up from 4.6% in the last projection round in June. During the press conference, Powell stressed that policymakers are facing a high amount of uncertainty, and seemed determined not to give markets any reason to rally. Treasuries sold off after the decision, with the yields on two-, five- and 10-year US government bonds all rising to the highest in more than a decade. Wednesday's 0.9% drop for the S&P 500 was the second-worst this year on a Fed day, second only to the 1.7% decline registered in March.

Fundamental Outlook: Gold and silver prices are trading lower on the international bourses. We expect gold and silver prices to trade range-bound to lower for the day, as gold prices slipped as markets considered hawkish commentary from the Federal Reserve, after US policymakers signaled interest rates will remain higher for longer. Bullion climbed before the decision and then reversed in its wake, though the metal has largely remained range bound since mid-May as traders keep pushing out the timing of when the Fed is expected to start monetary easing.

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	58650	58900	59200	59400	59550	59700
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
105.33	0.20	0.19

Bond Yield

10 YR Bonds	LTP	Change
United States	4.4070	0.0484
Europe	2.6990	-0.0360
Japan	0.7270	0.0090
India	7.1750	-0.0160

Emerging Market Currency

Currency	LTP	Change
Brazil Real	4.8798	0.0128
South Korea Won	1330.15	1.6500
Russia Rubble	96.2094	-0.76
Chinese Yuan	7.2863	-0.011
Vietnam Dong	24290	-52
Mexican Peso	17.093	0.0096

NSE Currency Market Watch

Currency	LTP	Change
NDF	83.18	0.12
USDINR	83.1225	-0.23
JPYINR	56.3025	-0.2725
GBPINR	102.82	-0.5275
EURINR	88.9975	0.0225
USDJPY	147.6	0.28
GBPUSD	1.2373	-0.0027
EURUSD	1.0708	0.0037

Market Summary and News

❖ Traders are on guard for any sharp move in the yen as it hovers about 1% below the 150 level to dollar that some analysts consider to be a trigger for intervention by Japan. The market is on tenterhooks ahead of the Bank of Japan's policy decision on Friday as they await more detail from Governor Kazuo Ueda on the outlook for negative interest rates and his view on the yen's weakness. The currency appears to be caught in limbo early Thursday, with the risk of intervention offering support while the widening yield gap with the US weighs against this. The Federal Reserve signaled one more key interest rate increase is likely this year — something that would further inflate the yield gap and hurt the yen. It touched 148.46 on Thursday, its weakest against the dollar since November last year, before strengthening slightly after Chief Cabinet Secretary Hirokazu Matsuno said no options would be ruled out in curbing excessive moves. Implied overnight volatility in the dollar-yen pair climbed the highest level since July 28, when the BOJ surprised the market by adjusting yield-curve control. Japan's top currency official, Masato Kanda, indicated on Wednesday that officials stand ready to intervene in the currency market, with possible US backing. US Treasury Secretary Janet Yellen said earlier that any intervention by Japan to prop up the yen would be understandable if it is aimed at smoothing out volatility. "The yen weakened only moderately, as despite Janet Yellen's commentary on Tuesday, Japan's Ministry of Finance is likely to intervene in large fashion at 150 per dollar because it is hard to tolerate more inflationary pressure," said John Vail, chief global strategist at Nikko Asset Management Co. in Tokyo. The BOJ has maintained its ultra-loose monetary policy, including the world's last negative interest rate, even as the nation's inflation has stayed above its target of 2% for more than a year.

❖ The Indian rupee may head toward its record low after the dollar strengthened following signals the Federal Reserve will keep longer-term rates elevated for some time to come. USD/INR falls 0.2% to 83.0813 on Wednesday; rose to 83.2912 in October. Implied opening from forwards suggest spot may start trading around 83.15. 10-year yields fell 2bps to 7.18% on Wednesday. The rupee is expected to open sharply lower, tracking the strength extended in dollar, after the Fed hinted at further rate increases by year end, says Arnob Biswas, head of FX research at SMC Global Securities. USD/INR may rise above 83.40 with multiple interventions expected in coming days. Overseas investors sold 31.1b rupees of Indian equities on Wednesday, provisional NSE data shows. They sold 190 million rupees of sovereign bonds under limits available to foreign investors, and withdrew 5.46 billion rupees of corporate debt. State-run banks sold 4.19 billion rupees of sovereign bonds on Sept. 20: CCIL data. Foreign banks bought 32.5 billion rupees of bonds.

❖ The dollar rose for a second day alongside Treasury yields as dot plot data show policymakers saw fewer rate cuts than previously anticipated in 2024, in part as a stronger labor market is priced in. The Bloomberg Dollar Spot Index rose 0.2%, matching Wednesday's gain with higher-beta currencies sold for yen as markets look to Friday's Bank of Japan policy rate decision, according to traders. Two-year rates rose above 5.19% Thursday to a fresh 17-year high, while 30-year yield climbed to 4.48%, a level last seen in 2011. Fed officials now expect their benchmark rate to be at 5.1% by the end of next year, according to their median estimate, up from 4.6% in the last projection round in June. 12 of 19 Fed officials said they still expect to raise rates once more this year. "Powell was very cautious on the timing on any rate cuts," Steve Englander, head of global G-10 FX research at Standard Chartered, wrote in a research note. "This should support higher-for-longer expected policy rates and a firm US dollar unless incoming data show a sudden deterioration in activity." Yields were higher across the curve with rate on 10-year Treasury rising three basis points to 4.44%. AUD/USD slid 0.4% to 0.6421. USD/JPY was steady at 148.34 after earlier hitting 148.46 and breaching New York's 148.36, post Fed high. EUR/USD fell 0.2% to 1.0637.

Key Market Levels for the Day

	S3	S2	S1	R1	R2	R3
USDINR Spot	82.8075	82.9075	82.9855	83.1575	83.2550	83.3575



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Nirmal Bang Securities - Bullion Technical Market Update

Gold Market Update



Market View	
Open	59222
High	59443
Low	59109
Close	59405
Value Change	123
% Change	0.21
Spread Near-Next	535
Volume (Lots)	4721
Open Interest	8237
Change in OI (%)	-9.37%

Gold - Outlook for the Day

SELL GOLD OCT (MCX) AT 59300 SL 59550 TARGET 59000/58800

Silver Market Update



Market View	
Open	72284
High	73318
Low	72170
Close	73230
Value Change	661
% Change	0.91
Spread Near-Next	0
Volume (Lots)	17016
Open Interest	15571
Change in OI (%)	-6.78%

Silver - Outlook for the Day

SELL SILVER DEC (MCX) AT 73000 SL 73500 TARGET 72000/71700



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Nirmal Bang Securities - Currency Technical Market Update

USDINR Market Update



Market View

Open	83.2925
High	83.3
Low	83.0625
Close	83.1225
Value Change	-0.23
% Change	-0.28
Spread Near-Next	0
Volume (Lots)	3057226
Open Interest	3631063
Change in OI (%)	2.91%

USDINR - Outlook for the Day

The USDINR future witnessed a gap-down opening at 83.29, which was followed by a session that showed strong sell from higher levels with candle closures near the low. A long red candle formed for the USDINR price as it taken the support of 10 day moving average placed at 83.12. 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 83.10 and 83.26.

Key Market Levels for the Day

	S3	S2	S1	R1	R2	R3
USDINR September	82.8025	82.9075	83.0075	83.2525	83.3525	83.4575



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