

### Daily Bullion Physical Market Report

Date: 03<sup>rd</sup> January 2025

#### Daily India Spot Market Rates

| Description | Purity | AM    | PM    |
|-------------|--------|-------|-------|
| Gold        | 999    | 76769 | 77079 |
| Gold        | 995    | 76462 | 76770 |
| Gold        | 916    | 70320 | 70604 |
| Gold        | 750    | 57577 | 57809 |
| Gold        | 585    | 44910 | 45091 |
| Silver      | 999    | 86907 | 87167 |

Rate as exclusive of GST as of 02<sup>nd</sup> January 2025 Gold is Rs/10 Gm & Silver in Rs/Kg

#### Gold and Silver 999 Watch

| Date                           | GOLD* | SILVER* |
|--------------------------------|-------|---------|
| 02 <sup>nd</sup> January 2025  | 77079 | 87167   |
| 01 <sup>st</sup> January 2025  | 76583 | 86055   |
| 31 <sup>st</sup> December 2024 | 76162 | 86017   |
| 30 <sup>th</sup> December 2024 | 76194 | 87175   |

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

#### COMEX Futures Watch

| Description   | Contract | Close   | Change | %Chg |
|---------------|----------|---------|--------|------|
| Gold(\$/oz)   | FEB 25   | 2669.00 | 28.00  | 1.06 |
| Silver(\$/oz) | MAR 25   | 29.90   | 0.66   | 2.25 |

#### ETF Holdings as on Previous Close

| ETFs           | In Tonnes | Net Change |
|----------------|-----------|------------|
| SPDR Gold      | 872.52    | 0.00       |
| iShares Silver | 14,375.97 | 52.42      |

#### Gold and Silver Fix

| Description               | LTP     |
|---------------------------|---------|
| Gold London AM Fix(\$/oz) | 2644.60 |
| Gold London PM Fix(\$/oz) | 2646.30 |
| Silver London Fix(\$/oz)  | 29.41   |

#### Bullion Futures DGCX

| Description   | Contract | LTP   |
|---------------|----------|-------|
| Gold(\$/oz)   | DEC 24   | 2669  |
| Gold Quanto   | DEC 24   | 77737 |
| Silver(\$/oz) | DEC 24   | 29.72 |

#### Gold Ratio

| Description       | LTP   |
|-------------------|-------|
| Gold Silver Ratio | 89.26 |
| Gold Crude Ratio  | 36.50 |

#### Weekly CFTC Positions

|             | Long   | Short | Net    |
|-------------|--------|-------|--------|
| Gold(\$/oz) | 198553 | 14293 | 184260 |
| Silver      | 39379  | 18789 | 20590  |

#### MCX Indices

| Index               | Close    | Net Change | % Chg |
|---------------------|----------|------------|-------|
| MCX iCOMDEX Bullion | 18585.43 | 227.73     | 1.23% |

#### Macro-Economic Indicators

| Time                              | Country       | Event                     | Forecast | Previous | Impact |
|-----------------------------------|---------------|---------------------------|----------|----------|--------|
| 03 <sup>rd</sup> January 08:30 PM | United States | ISM Manufacturing PMI     | 48.2     | 48.4     | High   |
| 03 <sup>rd</sup> January 08:30 PM | United States | ISM Manufacturing Prices  | 51.5     | 50.3     | Medium |
| 03 <sup>rd</sup> January 09:30 PM | United States | FOMC Member Barkin Speaks | -        | -        | Low    |

### Nirmal Bang Securities - Daily Bullion News and Summary

□ Gold climbed on Thursday after notching its biggest annual gain since 2010, with the metal viewed as a haven asset benefiting as a risk-off mood swept through broader markets. Bullion rose as much as 1.3%, advancing alongside other precious metals. Last year's 27% rally was driven by the Federal Reserve's rate-cutting cycle, sustained haven demand and a wave of purchases by central banks, with many analysts seeing further gains ahead this year. Investors are now focused on the rate path in the US, after Chair Jerome Powell last month signaled greater caution over how quickly the central bank can continue reducing borrowing costs amid renewed concerns about inflation. Lower rates are typically positive for bullion, which doesn't pay interest. Key economic data due Friday, including US jobless claims and manufacturing reports, will be closely watched for clues on the Fed's easing trajectory.

□ Exchange-traded funds added 8,409 troy ounces of gold to their holdings in the last trading session, bringing this year's net purchases to 8,409 ounces, according to data compiled by Bloomberg. The purchases were equivalent to \$22.1 million at the previous spot price. Total gold held by ETFs was little changed this year to 82.8 million ounces. Gold was unchanged this year at \$2,624.50 an ounce and rose by 0.7 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 28.1 million ounces has a market value of \$73.6 billion. ETFs also added 1.93 million troy ounces of silver to their holdings in the last trading session, bringing this year's net purchases to 1.93 million ounces.

□ Investors sold off gold-backed exchange-traded funds for a fourth straight year in 2024 despite a backdrop of repeated record high prices and the start of monetary easing by the Federal Reserve. While optimism of Fed interest rate cuts in 2024 helped gold ETFs rebound a bit, the US election results in November ended that newfound momentum. A stronger dollar following Donald Trump's election win saw a renewed selloff of those exchange-traded funds, with bullion prices declining from an all-time high as investors redirected money elsewhere, including equities and Bitcoin. Investors typically seek safety in bullion in times of political and economic uncertainty. They bought gold ETFs during the pandemic in 2020 and started selling them two years later when the US central bank began raising interest rates to combat inflation. Higher rates make bullion less appealing since it pays no interest. At the same time, geopolitical risks from conflicts in Ukraine and the Middle East saw central banks in emerging markets; Asian investors and consumers flock to physical bullion as a portfolio diversifier and hedge. That reduced demand for gold ETFs.

□ European Central Bank Governing Council member Yannis Stournaras said borrowing costs will probably be lowered to about 2% around the autumn of this year. "The base interest rates of the central bank should fall to around 2%, around the fall of 2025," Stournaras told Greece's Skai Radio, according to a transcript published Thursday by the Bank of Greece. He said the prediction — which he's given before — remains subject to "unforeseen circumstances," citing risk factors in Europe and America. The outlook is similar to that of economists and investors, who see the ECB loosening monetary policy at every meeting until mid-2025 as inflation stabilizes at the 2% target and the region's economy struggles.

□ The US banking system's reserves, a key factor in the Federal Reserve's decision to keep shrinking its balance sheet, tumbled below \$3 trillion to the lowest since October 2020. Bank reserves fell by about \$326 billion in the week through Jan. 1 to \$2.89 trillion, according to Fed data released on Thursday. That's the largest weekly slide in over two-and-a-half years. The decline comes as year-end dynamics force banks to pare balance-sheet intensive activities like repurchase agreement transactions in order to shore up their books for regulatory purposes. That means cash is directed to places like the central bank's overnight reverse repo facility, draining liquidity from other liabilities on the Fed's ledger. Balances at RRP swelled by \$375 billion between Dec. 20 and Dec. 31 before falling by \$234 billion on Thursday. As the same time, the Fed has also been removing excess cash from the financial system through its quantitative tightening program, just as institutions continue to repay loans from the Bank Term Funding Program. With US policymakers continuing QT, Wall Street strategists have been paying close attention to the lowest comfortable level of reserves — which some have estimated between \$3 trillion and \$3.25 trillion, including a buffer. Policymakers said at last month's gathering it was continuing to shrink its balance sheet. It also adjusted the offering rate on the RRP facility so that it's in line with the bottom of the target range for the fed funds rate. That put downward pressure on short-term interest rates and some think that it could be enough to stave off reserve scarcity for a little bit longer. Still, the debate is picking up over how much longer the Fed can keep up QT without evoking memories of September 2019. At the time, reserves had grown too scarce while the Fed was unwinding its balance sheet and a shortage led to a surge in a key lending rate and the federal funds rate. The central bank was forced to intervene to stabilize the market.

**Fundamental Outlook:** Gold and silver prices are trading slightly higher today on the international bourses. We expect precious metals prices on Indian bourses to trade range-bound to higher for the day, as gold prices are on track for its biggest weekly gain since November, as broad risk-off sentiment buoyed demand for haven assets.

### Key Market Levels for the Day

| Bullion        | Month    | S3    | S2    | S1    | R1    | R2    | R3    |
|----------------|----------|-------|-------|-------|-------|-------|-------|
| Gold – COMEX   | December | 2620  | 2645  | 2670  | 2685  | 2715  | 2750  |
| Silver – COMEX | December | 29.50 | 29.70 | 30.00 | 30.20 | 30.50 | 30.85 |
| Gold – MCX     | December | 77200 | 77450 | 77750 | 78000 | 78300 | 78500 |
| Silver – MCX   | December | 87500 | 88300 | 89200 | 89700 | 90500 | 91200 |



### Nirmal Bang Securities - Daily Currency Market Update

#### Dollar Index

| LTP/Close | Change | % Change |
|-----------|--------|----------|
| 109.39    | 0.91   | 0.84     |

#### Bond Yield

| 10 YR Bonds   | LTP    | Change  |
|---------------|--------|---------|
| United States | 4.5590 | -0.0100 |
| Europe        | 2.3760 | 0.0120  |
| Japan         | 1.1010 | 0.0000  |
| India         | 6.7890 | 0.0080  |

#### Emerging Market Currency

| Currency        | LTP      | Change   |
|-----------------|----------|----------|
| Brazil Real     | 6.1512   | -0.0262  |
| South Korea Won | 1471.35  | -0.6000  |
| Russia Rubble   | 114.6616 | 1.1524   |
| Chinese Yuan    | 7.2994   | 0.0001   |
| Vietnam Dong    | 25457    | -31.0000 |
| Mexican Peso    | 20.6043  | -0.2172  |

#### NSE Currency Market Watch

| Currency | LTP      | Change  |
|----------|----------|---------|
| NDF      | 86.07    | -0.0100 |
| USDINR   | 85.94    | 0.0925  |
| JPYINR   | 54.775   | -0.0875 |
| GBPINR   | 107.0075 | -0.5625 |
| EURINR   | 88.875   | -0.2250 |
| USDJPY   | 156.74   | 0.3900  |
| GBPUSD   | 1.2447   | -0.0074 |
| EURUSD   | 1.0333   | -0.0047 |

#### Market Summary and News

- The Indian rupee closed at a new record low against the dollar after data showed manufacturing activity slowed last month. Bonds edge lower. USD/INR rises 0.1% to 85.7550; rose to an intraday record high of 85.8150 on Dec. 27. Most emerging-Asian currencies traded lower against the dollar. HSBC India Dec. Manufacturing PMI at 56.4 vs 56.5 in Nov. The Index was at a 12-month low and indicated a weaker improvement in operating conditions, according to HSBC. 10-year yields up 1bp to 6.79%. The buying of dollars continues with FPIs turning sellers of equities with RBI likely intervening, says Anil Kumar Bhansali, head of treasury at Finrex Treasury Advisors. Expect rupee to keep declining with RBI stepping in to keep the fall in check. We maintain our outlook for India's 10-year bond yield at 6.7% by the end of March 2025, driven by domestic economic developments, writes Garima Kapoor, economist at Elara Capital. The RBI may cut policy rate by 25bps in Feb. and reduce by 75bps in this easing cycle. Such a policy move could ease pressure on bond yields amid weak growth domestic momentum, paving the way for a gradual softening in the months ahead. India Dec. total net GST revenue is at 1.54t rupees, up 3.3% y/y.
- Emerging-market stocks neared correction territory on the first trading day of 2025, dragged down by China, where the market had its worst start to the year in nearly a decade. A gauge for EM currencies closed at the lowest level since July. A gauge for developing stocks dropped amid fresh evidence of China's economic slowdown and now has lost nearly 10% since a bull-market peak last year. The main gauge of China's mainland stocks, the CSI 300 Index, dropped 2.9%, the biggest first-day retreat since 2016. Indian stocks, meanwhile, rallied to outperform their biggest Asian peers. MSCI's EM currency index fell less than 0.1%; earlier, the dollar strengthened after data showed initial US unemployment applications fell to an eight-month low, indicating labor market strength. Mexico's peso outperformed Latin American peers; gained as much as 1.2% against the dollar, lifted by US data. Chile's peso trimmed losses after slipping as much as 1.1%, among the worst performers in emerging markets; hits lowest level since July 2022. Brazil's real, Colombia's peso reversed losses amid low liquidity. Korea's won gained as authorities pledged to be "flexible" with future interest-rate cuts. Earlier, Korea Rolls Out Measures to Boost Won Trading Volume at Night. Indonesia's rupiah declines; Bank of Indonesia intervened to stabilize it after President Prabowo Subianto's surprise decision to scale back a tax hike sent the currency lower.
- The dollar advanced Thursday, after US unemployment report pointed to a resilient labor market. It pushed the euro to its weakest level versus the dollar in over two years and the pound to an eight-month low. The Bloomberg Dollar Spot Index rose 0.4%. Initial applications for US unemployment capped 2024 at an eight-month low. Traders "are more willing to add fresh dollar longs ahead of President Donald Trump's inauguration," after they were reluctant in December in expectation of the adverse dollar seasonality, which didn't occur after all, said Lee Ferridge, a strategist at State Street. "This has been accelerated by the closing of the gas pipeline from Russia which is being seen as another negative for European growth in 2025," he said. EUR/USD fell as much as 1.3% to 1.0226, lowest since November 2022; the pair trimmed its drop to 1% later. The euro has been weakening on expectations the European Central Bank will lower interest rates more aggressively than the Federal Reserve to support the bloc's economy. GBP/USD fell 1.2% to 1.2373, weakest since April. AUD/USD was outperforming all peers in the Group of 10, rising 0.2%. USD/JPY rose 0.2% to 157.59; Governor Kazuo Ueda avoided giving clear signals of a rate hike in January during last week's speech but investors still see this as a possibility. "January is a live meeting from the BOJ," said Jordan Rochester, the head of macro strategy in EMEA for Mizuho.

#### Key Market Levels for the Day

|             | S3      | S2      | S1      | R1      | R2      | R3      |
|-------------|---------|---------|---------|---------|---------|---------|
| USDINR SPOT | 85.6225 | 85.6775 | 85.7155 | 85.8075 | 85.8450 | 85.8975 |

## Nirmal Bang Securities - Bullion Technical Market Update

### Gold Market Update



#### Market View

|                  |       |
|------------------|-------|
| Open             | 77000 |
| High             | 77810 |
| Low              | 76965 |
| Close            | 77717 |
| Value Change     | 824   |
| % Change         | 1.07  |
| Spread Near-Next | 789   |
| Volume (Lots)    | 6807  |
| Open Interest    | 12883 |
| Change in OI (%) | 4.46% |

### Gold - Outlook for the Day

**BUY GOLD FEB (MCX) AT 77750 SL 77450 TARGET 78100/78300**

### Silver Market Update



#### Market View

|                  |        |
|------------------|--------|
| Open             | 88234  |
| High             | 89330  |
| Low              | 88150  |
| Close            | 89173  |
| Value Change     | 1595   |
| % Change         | 1.82   |
| Spread Near-Next | 1745   |
| Volume (Lots)    | 12660  |
| Open Interest    | 32968  |
| Change in OI (%) | -3.86% |

### Silver - Outlook for the Day

**BUY SILVER MARCH (MCX) AT 89200 SL 88300 TARGET 90500/91200**

## Nirmal Bang Securities - Currency Technical Market Update

### USDINR Market Update



#### Market View

|                  |         |
|------------------|---------|
| Open             | 85.8600 |
| High             | 86.0000 |
| Low              | 85.8400 |
| Close            | 85.9400 |
| Value Change     | 0.0925  |
| % Change         | 0.1077  |
| Spread Near-Next | -0.3486 |
| Volume (Lots)    | 661176  |
| Open Interest    | 3224643 |
| Change in OI (%) | 4.44%   |

### USDINR - Outlook for the Day

The USDINR future witnessed a flat opening at 85.86, which was followed by a session that showed consolidation with positive buyer with candle closures near high. A red candle has been formed by the USDINR where price has having support of 10-days moving average placed at 85.40. On the daily chart, the momentum indicator RSI trailing in over-bought level 75-80 positive indication while MACD has made a positive crossover above the zero-line. We are anticipating that the price of USDINR futures will fluctuate today between 85.78 and 85.90.

### Key Market Levels for the Day

|            | S3      | S2      | S1      | R1      | R2      | R3      |
|------------|---------|---------|---------|---------|---------|---------|
| USDINR JAN | 85.7625 | 85.8055 | 85.8450 | 86.0225 | 86.0625 | 86.0975 |



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