

## Daily Bullion Physical Market Report

Date: 16<sup>th</sup> September 2024

### Daily India Spot Market Rates

Description	Purity	AM	PM
Gold	999	72945	73044
Gold	995	72653	72752
Gold	916	66818	66908
Gold	750	54709	54783
Gold	585	42673	42731
Silver	999	85795	86100

Rate as exclusive of GST as of 13<sup>th</sup> September 2024 Gold is Rs/10 Gm & Silver in Rs/Kg

### Gold and Silver 999 Watch

Date	GOLD*	SILVER*
13 <sup>th</sup> September 2024	73044	86100
12 <sup>th</sup> September 2024	71801	83188
11 <sup>th</sup> September 2024	71994	83407
10 <sup>th</sup> September 2024	71590	82207

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

### COMEX Futures Watch

Description	Contract	Close	Change	%Chg
Gold(\$/oz)	DEC 24	2610.70	38.20	1.50
Silver(\$/oz)	DEC 24	31.07	1.18	4.08

### ETF Holdings as on Previous Close

ETFs	In Tonnes	Net Change
SPDR Gold	870.78	4.60
iShares Silver	14,545.49	0.00

### Gold and Silver Fix

Description	LTP
Gold London AM Fix(\$/oz)	2571.35
Gold London PM Fix(\$/oz)	2575.10
Silver London Fix(\$/oz)	29.97

### Bullion Futures DGCX

Description	Contract	LTP
Gold(\$/oz)	OCT24	2587.1
Gold Quanto	OCT 24	73535
Silver(\$/oz)	DEC 24	31.07

### Gold Ratio

Description	LTP
Gold Silver Ratio	84.02
Gold Crude Ratio	38.03

### Weekly CFTC Positions

	Long	Short	Net
Gold(\$/oz)	246214	19505	226709
Silver	40694	13604	27090

### MCX Indices

Index	Close	Net Change	% Chg
MCX iCOMDEX Bullion	17196.01	246.90	1.36 %

### Macro-Economic Indicators

Time	Country	Event	Forecast	Previous	Impact
16 <sup>th</sup> September 06:00 PM	United States	Empire State Manufacturing Index	-3.8	-4.7	Medium

## Nirmal Bang Securities - Daily Bullion News and Summary

❖ Gold rose to another record high on Friday, building on Thursday's surge of nearly 2% as trader's added bullish wagers ahead of a widely expected Federal Reserve interest-rate cut next week. Gold has surged by more than a quarter this year, supported by the Fed's path to monetary easing. Central-bank buying and strong haven demand due to conflicts in the Middle East and Ukraine have helped the advance, while interest from retail investors is also picking up. Swap traders increased the possibility a jumbo cut by the US central bank at its meeting next Wednesday after a Wall Street Journal reported Thursday that Fed policymakers were considering whether to reduce rates by a regular quarter point or opt for half a percentage point cut. In response, bullion traders are betting prices of the precious metal can go even higher since lower rates are generally positive for non-interest yielding gold. Total open interest in Comex gold futures jumped for the past couple of trading sessions, while prices advanced to hit successive records, indicating fresh long positions were being built. Investors closing out bearish wagers on gold may have also contributed to the metal's ascent. Money managers' gross short positions in Comex gold futures stood at the highest in four weeks in the week ending Sept. 3, according to the latest data. Expectations of monetary easing by global central banks have also boosted investor holdings of gold exchange-traded funds, which were a key driver in gold's rally to a then all-time high at the peak of the pandemic. Total gold ETFs holdings are 0.3% higher this month, after recording three straight months of increase since June, according to data compiled by Bloomberg. ETF investors largely remained net sellers for the past three years. "It's an indication that western investors are continuing to show renewed signs of interest in gold, something that has been largely absent over the past three years, at least via ETFs," John Reade, chief market strategist at the World Gold Council, said in a social media post on X.

❖ The value of gold relative to silver may decline in the coming months if the Federal Reserve delivers as much in interest-rate cuts as the markets are pricing. Gold has the potential to reach \$3,000 an ounce if the Fed were to slash its benchmark rate by 200 basis points, a scenario analysis laid out in detail here. Silver, joined often at the hip with gold, will rise, too, but at a faster velocity given its higher beta. Should gold reach \$3,000, correlations suggest that silver will, in turn, reach almost \$37 an ounce. Should those correlations prove accurate; the ratio of gold to silver will decline to 81 from 85 now. While market positioning on silver is predominantly bullish, it is nowhere on the scale that was seen in 2016 and 2017 — suggesting that there is scope for further accumulation of long expressions. Colleague Jake-Lloyd Smith has this to add: silver is gold's excitable cousin, and typically posts bigger moves, both on the way up and the way down. Remember right now gold's rally has been strong enough to lift it to a series of nominal records — the latest in today's session. But silver last peaked close to \$50 an ounce, so it can do plenty of catching up. There are clear signs that it is gaining more traction. While gold-backed ETFs have risen in recent months, they remain lower year-to-date. But silver-backed ETFs are higher since 2024 kicked off, and should draw in more funds as a series of Fed rate cuts creates a near-perfect environment.

❖ Kazakhstan-registered gold miner Solidcore Resources Plc, which split from Russia this year, is considering offering bonds for the first time because its previous ties to Moscow are hurting its ability to receive loans from Western lenders. "Our Russian past still hinders our onboarding in the Western banks," Chief Executive Officer Vitaly Nesis said in a phone interview. "The fact that we are still traded on the Moscow Exchange is an insurmountable obstacle for many of them." Bonds denominated in US dollars likely aren't possible, so the company is weighing an offering in yuan, he added. Other forms of financing from China are also being considered, according to Nesis. Solidcore's case highlights how toxic Russia has become in the overseas financial world. The miner separated from Russia to build up its operations outside of the heavily sanctioned economy. It re-domiciled from Jersey to Kazakhstan in 2023 and changed its name to Solidcore Resources from Polymetal International Plc this year after selling its U.S.-sanctioned Russian unit, which accounted for 70% of its revenue. In June the company applied to be delisted from the Moscow Exchange, after the bourse was added to the US sanctions list. The shares are expected to be removed as of Oct. 15, following the exchange's approval this month, Solidcore said in a statement Friday. The miner now has its primary listing in Astana and its assets are mostly in Kazakhstan. The price of gold, which hit a new record on Friday, helped boost Solidcore's revenue by 79% in the first half to \$704 million, while Ebitda grew 73%. Gold is now trading around \$2,580 per ounce. Whether funding from banks is needed depends on the outlook for bullion, which is hard to predict, according to Nesis. "Psychologically for me the gold price at \$2,500 per ounce is still nonsense. That is difficult to comprehend." For this reason, the situation with Western lenders is "is greatly worrying," he said, adding that Solidcore plans to start an "active investment cycle" and is eyeing the acquisition of a new asset in Kazakhstan by the end of the year.

❖ Retail investors are pouring into CME Group Inc.'s micro gold futures contract while the precious metal sets another record. The average daily volume — an important metric used to assess the liquidity and activity level of a derivative — stood at 99,527 contracts as of Sept. 11, surpassing the amount for all of 2020 when it reached an all-time high of 86,101 lots, according to data from the US's largest derivatives exchange. Investors have been flocking to gold amid growing expectations the Federal Reserve will embark on a rate-cutting cycle soon. The metal also is seen as a haven with ongoing geopolitical concerns from the Middle East, Russia's war in Ukraine and the upcoming US presidential election. And a need to diversify away from the US dollar reserve system by global central banks also has helped boost the metal. The robust growth in micro gold futures comes with bullion rallying about 25% this year, repeatedly hitting record highs. Spot gold hit \$2,572.98 an ounce on Friday, its highest ever. Retail demand "tends to have high correlations with the price movement of" gold, especially when it's in an uptrend, Jin Hennig, global head of metals at CME Group, said in an interview. "We've seen that starting late last year all the way into this year." CME's micro gold futures contract was launched in October 2010 with an aim to target retail investors. It is one-tenth the size of CME's benchmark gold futures contract.

**Fundamental Outlook:** Gold and silver prices are trading higher today on the international bourses. We expect gold and silver prices to trade higher for the day; gold prices are steady after touching a record high on Friday, as markets waited for the Federal Reserve to begin easing monetary policy this week for the first time in more than four years.

### Key Market Levels for the Day

Bullion	Month	S3	S2	S1	R1	R2	R3
Gold – COMEX	December	2520	2530	2544	2564	2578	2595
Silver – COMEX	December	29.30	29.42	29.55	30.05	30.25	30.50
Gold – MCX	October	72800	73000	73300	73880	74100	74290
Silver – MCX	December	87900	88300	88800	90200	90550	91000

## Nirmal Bang Securities - Daily Currency Market Update

### Dollar Index

LTP/Close	Change	% Change
101.11	-0.32	-0.31

### Bond Yield

10 YR Bonds	LTP	Change
United States	3.6513	-0.0227
Europe	2.1470	-0.0020
Japan	0.8480	-0.0210
India	6.7900	-0.0150

### Emerging Market Currency

Currency	LTP	Change
Brazil Real	5.5646	-0.0611
South Korea Won	1333.55	-8.4500
Russia Rubble	90.1361	0.9361
Chinese Yuan	7.0972	-0.0202
Vietnam Dong	24580	-9.0000
Mexican Peso	19.2063	-0.3265

### NSE Currency Market Watch

Currency	LTP	Change
NDF	83.98	-0.0400
USDINR	83.95	-0.0600
JPYINR	59.535	0.7175
GBPINR	110.2425	0.6500
EURINR	93.0875	0.4050
USDJPY	140.59	-1.6000
GBPUSD	1.312	0.0065
EURUSD	1.1091	0.0062

### Market Summary and News

❖ India's shorter tenor sovereign bonds edged higher after the Reserve Bank of India canceled the remaining t-bill auctions for September. 10-year yields edged down 2bps to 6.79%; Yields on the 4-year bond fell 2bps to 6.71%. The Reserve Bank of India canceled the remaining Treasury bill auctions for the month that were scheduled for Sept. 18 and Sept. 25. The yield on India's 50-year bond fell below 7% for the first time earlier this week. It was little changed at 6.98% on Friday. "Shorter-term rates should continue to tread lower, especially for t-bills" but not so much for commercial papers given the demand for credit, says Pankaj Pathak, a senior fixed income fund manager at Quantum Asset Management Co. "Overall, yields are going down;" He sees RBI cutting rates in February, sees the possibility of a surprise rate cut in December. USD/INR inches lower by 0.1% to 83.8975. India's inflation unexpectedly accelerated in August, giving the central bank reason to stay on hold even though it remained below its 4% target for the second straight month. The consumer price index rose 3.65% last month from a year earlier, data from Statistics Ministry showed Thursday, up from 3.54% in July and above the 3.47% median forecast in a Bloomberg survey of economists. The RBI does not draw a line in the sand for the rupee, Reserve Bank of India Governor Shaktikanta Das said at an event in Singapore on Friday. The central bank intervenes in the market only to curb volatility. "We believe MPC is best placed to change stance in December but should sound dovish in October policy given changing global backdrop of lower commodity prices," ICICI Bank economists including Sameer Narang and Anagha Deodhar write in a note.

❖ A Bloomberg gauge of the dollar fell as traders boosted expectations of a half-point interest-rate cut from the Federal Reserve next week, supporting Treasuries. The yen rose to a fresh 2024 high. Bloomberg Dollar Spot Index falls 0.3% and heads for a second down week. Traders on Friday set odds of a 50bp cut from the Fed to around 40%, spurred by a Wall Street Journal report that officials are considering whether to go with a quarter- or half-point move. JPMorgan economists reaffirmed their call for a 50bp move. Policy-sensitive two-year Treasury yield falls 6.9bp to 3.57%. USD/JPY drops as much as 1.1% to 140.29, fresh year-to-date low; focus now on key 140 level; some hedge funds are adding bullish yen wagers in the options market on expectations that the currency will extend the rally that's made it the world's top performer this quarter. The pair looks set to close below the weekly cloud bottom for the first time since early 2021. One-week risk reversals trade at 206 basis points puts over calls, richer by some 69 basis points on the day; implied volatility on the tenor rises to 16.04%. CHF/JPY down a sixth day, longest losing streak in more than a year; falls as much as 0.6% to 165.59, lowest since Dec. 19. EUR/USD rises as much as 0.3% to 1.1102, one-week high; leveraged names with short spec exposure have been stopped out above 1.1050 and 1.1070: traders. One-week risk reversals traded earlier at 65 basis points, calls over puts, which compares to a brief reading in favor of the greenback ahead of the ECB decision. EUR/GBP little changed at 0.8443; alongside yen, high-beta Scandies also lead G-10 gains against the dollar.

❖ The MSCI gauge tracking developing-world currencies rose 0.5% on Friday, while stocks gained amid a broader risk-on mood across global markets, spurred by a rise in odds for a 50 basis-point cut at next week's Federal Reserve meeting. The Mexican peso and the Brazilian real led gains; Swaps price about 40% chance of a half-point cut from the Fed next week. Latin American currencies are also boosted by a rally in commodity prices, with oil gaining for the third straight day and gold hitting another all-time high. In stocks, MSCI's developing-nation equity gauge rose a second day amid rally across Asian technology companies, including Taiwan Semiconductor Manufacturing Company Ltd and Tencent Holdings Limited. A recent flurry of judicial and economic rule changes has served as a reminder of just how unpredictable operating in Latin America can be, denting the region's appeal for foreign investors already weary after years of sub-par returns. Brazil's government would need to hit its fiscal targets, stabilize government debt around current levels and build fiscal credibility before it can score a credit score upgrade, according to Fitch Ratings. An International Monetary Fund team is in Kenya to gauge the economic impact of a recent court ruling on tax measures and an expanded budget deficit that threw off course a \$3.6 billion financing program. India's central bank governor signaled he's in no hurry to cut interest rates despite recent softening in inflation in the world's fastest-growing major economy. Zambia's biggest mines are turning to a surprising power source as the copper-producing nation battles an unprecedented energy crisis: South African electricity company Eskom Holdings SOC Ltd., which until March faced its own severe deficit. Sri Lanka's main opposition leader said he'll reopen negotiations with the International Monetary Fund on its \$3 billion loan if he wins next week's presidential election to ease the financial burden on working class people.

### Key Market Levels for the Day

	S3	S2	S1	R1	R2	R3
	83.7550	83.8025	83.8475	83.9025	83.9325	83.9650
						83.7550

**Nirmal Bang Securities - Bullion Technical Market Update**

**Gold Market Update**



Market View	
Open	73128
High	73613
Low	73081
Close	73515
Value Change	691
% Change	0.95
Spread Near-Next	628
Volume (Lots)	6800
Open Interest	15459
Change in OI (%)	0.88%

**Gold - Outlook for the Day**

**BUY GOLD OCT (MCX) AT 73400-450 SL 73150 TARGET 73750/73850**

**Silver Market Update**



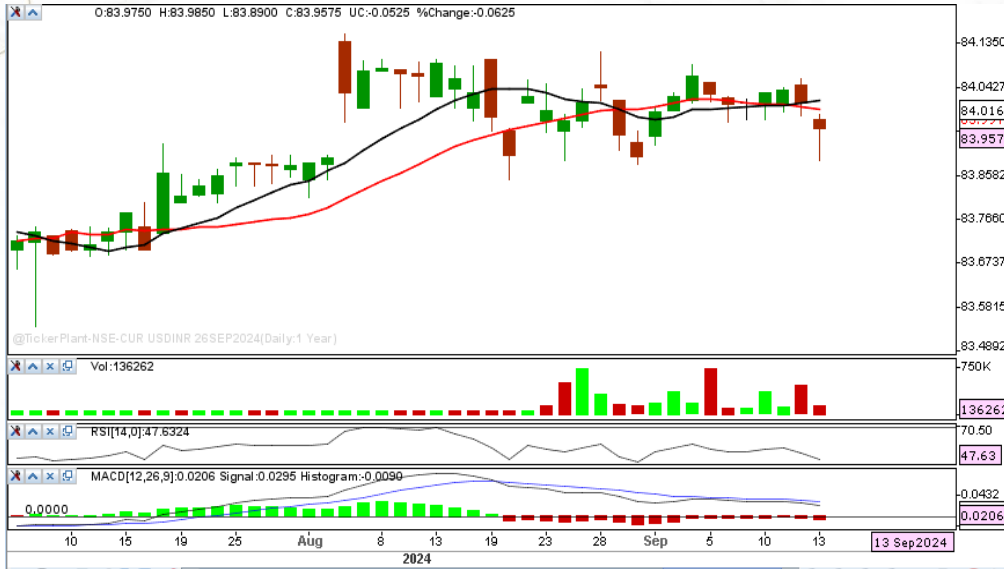
Market View	
Open	87606
High	89825
Low	87352
Close	89180
Value Change	2085
% Change	2.39
Spread Near-Next	2473
Volume (Lots)	23748
Open Interest	25940
Change in OI (%)	-2.12%

**Silver - Outlook for the Day**

**BUY SILVER DEC (MCX) AT 88600-550 SL 87900 TARGET 89300/500**

**Nirmal Bang Securities - Currency Technical Market Update**

**USDINR Market Update**



Market View	
Open	83.9750
High	83.9850
Low	83.8900
Close	83.9500
Value Change	-0.0600
% Change	-0.0714
Spread Near-Next	-0.6230
Volume (Lots)	136262
Open Interest	2493910
Change in OI (%)	-0.63%

**USDINR - Outlook for the Day**

The USDINR future witnessed gap-down opening at 83.97, which was followed by a session where price shows buying from lower level with candle enclosure below near high. A long red candle has been formed by the USDINR price where price closed below short-moving averages. The pair has given break down from its choppy range. On the daily chart, the MACD showed a negative crossover above zero-line, while the momentum indicator, RSI breaks 50 level shows negative indication. We are anticipating that the price of USDINR futures will fluctuate today between 83.88 and 84.

**Key Market Levels for the Day**

	S3	S2	S1	R1	R2	R3
USDINR SEPT	83.8875	83.9450	83.9725	83.9750	84.0175	84.0550

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