

Daily Bullion Physical Market Report

Date: 02nd May 2024

Daily India Spot Market Rates

Description	Purity	AM	PM
Gold	999	71963	71710
Gold	995	71675	71423
Gold	916	65918	65686
Gold	750	53972	53783
Gold	585	42098	41950
Silver	999	80047	80050

Rate as exclusive of GST as of 30th April 2024 Gold is Rs/10 Gm & Silver in Rs/Kg

Gold and Silver 999 Watch

Date	GOLD*	SILVER*
30 th April 2024	71710	80050
29 th April 2024	72373	81128
26 th April 2024	72448	81374
25 th April 2024	72094	80898

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

COMEX Futures Watch

Description	Contract	Close	Change	%Chg
Gold(\$/oz)	JUN 24	2311.00	8.10	0.35
Silver(\$/oz)	JUL 24	26.75	0.09	0.35

ETF Holdings as on Previous Close

ETFs	In Tonnes	Net Change
SPDR Gold	832.19	0.00
iShares Silver	13,283.44	-65.39

Gold and Silver Fix

Description	LTP
Gold London AM Fix(\$/oz)	2288.50
Gold London PM Fix(\$/oz)	2302.35
Silver London Fix(\$/oz)	26.48

Bullion Futures DGCX

Description	Contract	LTP
Gold(\$/oz)	JUNE 24	2324.9
Gold Quanto	JUNE 24	70745
Silver(\$/oz)	MAY 24	26.84

Gold Ratio

Description	LTP
Gold Silver Ratio	86.40
Gold Crude Ratio	29.25

Weekly CFTC Positions

	Long	Short	Net
Gold(\$/oz)	200127	23970	176157
Silver	59902	19947	39955

MCX Indices

Index	Close	Net Change	% Chg
MCX iCOMDEX Bullion	17788.19	72.61	0.41 %

Macro-Economic Indicators

Time	Country	Event	Forecast	Previous	Impact
02 nd May 06:00 PM	United States	Unemployment Claims	212K	207K	High
02 nd May 06:00 PM	United States	Trade Balance	-69.5B	-68.9B	Low
02 nd May 06:00 PM	United States	Factory Orders m/m	1.6%	1.4%	Low

Nirmal Bang Securities - Daily Bullion News and Summary

❖ Gold advanced as investors found comfort in the Federal Reserve's signals that it will still pivot to lowering borrowing costs after gaining enough confidence that price gains are cooling. Officials unanimously decided to leave the target range for the benchmark federal funds rate at 5.25% to 5.5% — where it's been since July — following a slew of data that pointed to lingering price pressures in the US economy. The Fed noted the lack of further progress on inflation, but kept the language referring to a future reduction of interest rates, suggesting that the easing bias remains in place, according to the Federal Open Market Committee statement Wednesday at the conclusion of a two-day meeting in Washington. "We've stated that we do not expect that it will be appropriate to reduce the target range for the federal funds rate until we have gained greater confidence that inflation is moving sustainably toward 2%," Chair Jerome Powell said during a press conference after the FOMC statement. He also said that "it's unlikely that the next policy rate move will be a hike." Treasury yields pushed lower as the Fed agreed to slow the reduction in its bond portfolio, while swap traders have amped up their bets on policy easing in 2024. Bullion rose as much as 1.8% before paring some of the gains. Lower rates are typically positive for gold as it pays no interest. Gold has climbed about 12% this year, hitting a record last month, despite the timeline for Fed cuts being pushed back. The precious metal's ascent over the past two months has been linked to central-bank purchases, robust demand from Asian markets — especially China — and elevated geopolitical tension from Ukraine to the Middle East.

❖ Exchange-traded funds cut 3,681 troy ounces of gold from their holdings in the last trading session, bringing this year's net sales to 4.55 million ounces, according to data compiled by Bloomberg. The sales were equivalent to \$8.41 million at yesterday's spot price. Total gold held by ETFs fell 5.3 percent this year to 81 million ounces, the lowest level since Sept. 20, 2019. Gold advanced 11 percent this year to \$2,286.25 an ounce and fell by 2.1 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 26.8 million ounces has a market value of \$61.2 billion. ETFs added 476,167 troy ounces of silver to their holdings in the last trading session, bringing this year's net sales to 2.24 million ounces.

❖ Federal Reserve Chair Jerome Powell kept hopes alive for an interest-rate cut this year while acknowledging that a burst of inflation has reduced policymakers' confidence that price pressures are ebbing. Powell, speaking to reporters Wednesday following the US central bank's latest meeting in Washington, said price growth will likely resume cooling this year, but avoided offering a timeline for rate cuts. Powell's remarks reflected a broader shift in thinking at the Fed toward holding borrowing costs at a two-decade high for longer. That change in tune — first voiced last month — represented the culmination of several months of firm increases in inflation, hiring and consumer spending that has also led investors to pare back bets from roughly six rate cuts this year to just one. Chair Jerome Powell says he doesn't know when the Federal Reserve will gain enough confidence to begin cutting interest rates. He spoke after the Fed left rates unchanged. "I don't know how long it'll take," Powell said of when he and his colleagues might have the confidence to cut rates. "I can just say that when we get that confidence then rate cuts will be in scope, and I don't know exactly when that will be." Policymakers left interest rates unchanged in a range of 5.25%-5.5%, where they've been since July. As recently as March, Powell said it would likely be appropriate to start cutting rates "at some point this year" — a phrase he didn't repeat on Wednesday. The Fed chief also established a high bar for further rate hikes, saying it's unlikely that the next policy move will be a rate increase. Officials would need to see "persuasive evidence" that policy isn't sufficiently restrictive to bring inflation down to their 2% target to consider raising rates again, Powell added. Powell's comments soothed investors' fears that the central bank leader would more forcefully lean against rate cuts this year, or even flag a potential hike. Treasury yields slid and stocks briefly rallied during the press conference, moves that were particularly notable after Powell said a rate hike was "unlikely." Officials also announced plans to slow the pace at which they're rolling maturing assets off their balance sheet beginning in June. The cap on Treasury runoff will fall to \$25 billion per month from \$60 billion while the cap on mortgage-backed securities will remain at \$35 billion. With principal payments of agency securities currently running at about \$15 billion per month, the total monthly portfolio runoff will be about \$40 billion, Powell said.

Fundamental Outlook: Gold and silver prices are trading slightly lower today on the international bourses. We expect gold and silver prices to trade range-bound for the day, as gold prices fell after a weekly drop, ahead of a Federal Reserve meeting midweek where policymakers are expected to reaffirm their stance for higher-for-longer interest rates.

Key Market Levels for the Day

Time	Month	S3	S2	S1	R1	R2	R3
Gold – COMEX	June	2270	2295	2320	2335	2350	2370
Silver – COMEX	May	26.00	26.30	26.50	26.65	26.85	27.10
Gold – MCX	June	70100	70450	70750	71000	71200	71350
Silver – MCX	May	78200	79000	79800	80200	80800	81300

Nirmal Bang Securities - Daily Currency Market Update

Dollar Index

LTP/Close	Change	% Change
105.76	-0.47	-0.44

Bond Yield

10 YR Bonds	LTP	Change
United States	4.6283	-0.0494
Europe	2.5830	-0.0430
Japan	0.8910	0.0000
India	7.1860	0.0100

Emerging Market Currency

Currency	LTP	Change
Brazil Real	5.1934	0.0039
South Korea Won	1382.1	1.9500
Russia Rubble	93.8251	1.4301
Chinese Yuan	7.2411	-0.0174
Vietnam Dong	25334	6
Mexican Peso	16.9957	-0.1559

NSE Currency Market Watch

Currency	LTP	Change
NDF	83.46	0.07
USDINR	83.505	-0.035
JPYINR	53.575	-0.23
GBPINR	104.565	0.0925
EURINR	89.465	0.065
USDJPY	156.43	1.18
GBPUSD	1.2569	0.0021
EURUSD	1.0733	-0.0002

Market Summary and News

❖ Bonds rallied after Jerome Powell downplayed the possibility of interest-rate hikes and the Federal Reserve said it will shrink its balance sheet at a slower pace to ease strains in money markets. Treasuries climbed across the curve, with two-year yields dropping below 5%. Swap traders boosted bets on policy easing in 2024. At one point, markets were headed for their biggest cross-asset surge on a Fed day this year. Moves abated toward the close, with the S&P 500 turning lower as chipmakers plunged in the final hour of trading. The yen soared, fueling speculation Japan could be intervening to support the currency. Officials unanimously decided Wednesday to leave the target range for the benchmark federal funds rate at 5.25% to 5.5% — where it's been since July. Powell noted it's unlikely the Fed's next move would be to raise rates, saying officials would need to see persuasive evidence that policy is not tight enough to bring inflation back toward the central bank's 2% target. "Jay Powell threaded the needle perfectly today," said Ronald Temple at Lazard. "He did not take the bait to talk about hiking rates. I believe the FOMC's cautious approach will be a winner over time as inflation subsides as we progress through the year." US 10-year yields fell five basis points to 4.63%. In a volatile session, the S&P 500 extended this week's losses — with traders seeing Friday's jobs report as the next big catalyst. After the close of regular trading, Qualcomm Inc., the biggest seller of smartphone processors, gave a bullish forecast.

❖ The dollar fell broadly after the Federal Reserve flagged inflation concerns and Fed Chair Jerome Powell indicated in his press conference that rate hikes are not likely. The central bank also scaled back its pace of quantitative tightening, as expected. The Bloomberg Dollar Spot Index fell as much as 0.5% amid macro sales, before trimming its loss to 0.2%. The greenback lost ground against all its G-10 peers, with Swedish krona and Australian dollar leading gainers as risk tone improved. US 10-year yield down five basis points to 4.63%. Powell said it will probably take longer than previously expected for the Fed to gain enough confidence about the inflation trajectory to start cutting interest rates. "Don't see much for the USD to react to other than relief that he didn't indicate a hike," according to Brad Bechtel, global head of FX at Jefferies. "Our analysis suggests that the Fed tends to deliver dovish surprises on FOMC meeting days and usually pivots during intra-meeting periods on the back of data flow," according to Salman Ahmed, Global Head of Macro and Strategic Asset Allocation at Fidelity International. "We expect inflation to remain sticky as demand remains strong leading to no cuts this year. However, even if Chair Powell has downplayed the risk of hikes, narrative wars are likely to continue if current economic trends continue." US factory activity contracted in April on declining demand while input prices rose at the fastest pace since inflation peaked in 2022. US job openings fell in March to the lowest level in three years while quits and hiring slowed, indicating more softening in the labor market. ADP showed payrolls increased an above-forecast 192,000 in April after an upward revision to the prior month. The dollar's volatility curve steepens after the Fed as front-end retreats; one-week holds firm at 7.45% as tenor includes US payrolls and ISM prices paid; two-week includes US CPI. USD/JPY is down 0.2% at 157.52 after setting a new day's low of 157.01. One-week risk reversals hold steady at 0.75% in favor of calls with trader noting dollar call interest ahead of the Fed; one-day vol slip to 12% from 15% ahead of the decision. The euro is up 0.2% at 1.0690 amid macro and interbank demand. European Central Bank Governing Council member Pablo Hernandez de Cos struck an optimistic tone on euro-area inflation slowing to target, the latest signal that officials will cut interest rates next month.

❖ Mexico's peso led gains in emerging-market currencies, at one point rising the most since November 2023, as a less hawkish Federal Reserve boosted appetite for riskier assets. Several markets, including China, were closed for Labor Day. The Fed left rates unchanged and provided less hawkish commentary than expected. The MSCI index for EM currencies edged up after rising over 0.1% earlier, with the Mexican peso and South African rand leading gains. The peso briefly touched a session high to 16.9 per dollar, strengthening as much as 1.3%, the most since Nov. 2023. MSCI's EM equity benchmark was slightly down after climbing 0.1% following comments from Fed Chair Jerome Powell, according to which a rate hike is unlikely going to be the next policy move. A \$76 billion Vanguard ETF tracking emerging-market equities briefly touched session highs. Brazil's credit outlook was raised to positive by Moody's Ratings, citing reform progress that helped shore up the outlook for growth. Moody's rates the nation at Ba2. Peru's inflation slowed much more than expected April, as the central bank continues to lower its borrowing costs.

Key Market Levels for the Day

	S3	S2	S1	R1	R2	R3
USDINR Spot	83.3525	83.4050	83.4575	83.5525	83.6050	83.6575

Nirmal Bang Securities - Bullion Technical Market Update

Gold Market Update



Market View	
Open	71230
High	71698
Low	71147
Close	71602
Value Change	102
% Change	0.14
Spread Near-Next	59
Volume (Lots)	5938
Open Interest	19542
Change in OI (%)	0.28%

Gold - Outlook for the Day

BUY GOLD JUNE (MCX) AT 70750 SL 70450 TARGET 71100/71350

Silver Market Update



Market View	
Open	82347
High	82690
Low	81907
Close	82483
Value Change	-13
% Change	-0.02
Spread Near-Next	1291
Volume (Lots)	15293
Open Interest	23820
Change in OI (%)	13.42%

Silver - Outlook for the Day

BUY SILVER JULY (MCX) AT 79800 SL 79000 TARGET 80800/81300

Nirmal Bang Securities - Currency Technical Market Update

USDINR Market Update



Market View	
Open	83.4325
High	83.585
Low	83.4325
Close	83.54
Value Change	0.1075
% Change	0.1288
Spread Near-Next	0
Volume (Lots)	704205
Open Interest	2410341
Change in OI (%)	6.55%

USDINR - Outlook for the Day

The USDINR future witnessed a flat opening at 83.54, which was followed by a session where price shows profit taking from high level with candle closures near low. A small red candle formed by the USDINR price where price having support 20-days moving averages placed at 83.43. On the daily chart, the MACD showed a positive crossover below the zero-line, while the momentum indicator, RSI trailing between 54-59 levels showed positive indication. We are anticipating that the price of USDINR futures will fluctuate today between 83.43 and 83.60.

Key Market Levels for the Day

	S3	S2	S1	R1	R2	R3
USDINR May	83.2550	83.3225	83.3875	83.4825	83.5425	83.6050

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