

Daily Bullion Physical Market Report

Date: 03rd May 2024

Daily India Spot Market Rates

Description	Purity	AM	PM
Gold	999	71670	71327
Gold	995	71383	71041
Gold	916	65650	65336
Gold	750	53753	53495
Gold	585	41927	41726
Silver	999	80119	79719

Rate as exclusive of GST as of 02nd May 2024 Gold is Rs/10 Gm & Silver in Rs/Kg

Gold and Silver 999 Watch

Date	GOLD*	SILVER*
02 nd May 2024	717327	79719
30 th April 2024	71710	80050
29 th April 2024	72373	81128
26 th April 2024	72448	81374

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

COMEX Futures Watch

Description	Contract	Close	Change	%Chg
Gold(\$/oz)	JUNE 24	2309.60	-1.40	-0.06
Silver(\$/oz)	JULY 24	26.83	0.08	0.30

ETF Holdings as on Previous Close

ETFs	In Tonnes	Net Change
SPDR Gold	831.04	-1.15
iShares Silver	13,209.52	-73.92

Gold and Silver Fix

Description	LTP
Gold London AM Fix(\$/oz)	2300.55
Gold London PM Fix(\$/oz)	2288.85
Silver London Fix(\$/oz)	26.24

Bullion Futures DGCX

Description	Contract	LTP
Gold(\$/oz)	JUNE 24	2312.9
Gold Quanto	JUNE 24	70756
Silver(\$/oz)	MAY 24	26.91

Gold Ratio

Description	LTP
Gold Silver Ratio	86.09
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	17867.70	18.92	0.11 %

Macro-Economic Indicators

Time	Country	Event	Forecast	Previous	Impact
02 rd May 06:00 PM	United States	Average Hourly Earnings m/m	0.3%	0.3%	High
02 rd May 06:00 PM	United States	Non-Farm Employment Change	238K	303K	High
02 rd May 06:00 PM	United States	Unemployment Rate	3.8%	3.8%	High
02 rd May 07:15 PM	United States	Final Services PMI	50.9	50.9	Medium
02 rd May 07:30 PM	United States	ISM Services PMI	52.0	51.4	High

Nirmal Bang Securities - Daily Bullion News and Summary

❖ Gold fell, with market watchers saying the previous day's rally in response to Federal Reserve Chair Jerome Powell's comments was overoptimistic. Bullion dipped to about \$2,300 an ounce after ending 1.5% higher in the prior session, the biggest one-day gain since mid-April. Treasury yields tumbled Wednesday — buoying bullion — as Powell struck a less hawkish tone than expected, saying policymakers need more evidence that price gains are cooling before reducing borrowing costs. Data Thursday showed US labor costs jumped the most in a year as productivity gains slowed, adding to risks inflation will remain elevated. On global currency markets, the yen weakened against the dollar after speculation that Japanese authorities intervened for a second time this week to support it. A gauge of the greenback fell, making the precious metal cheaper for many buyers. Traders are now eyeing the monthly employment report due Friday. Economists surveyed by Bloomberg forecast a 241,000 gain in nonfarm payrolls, which would be the slowest pace since November. Gold has climbed about 11% this year, hitting an intraday record April 19, even as the timeline for Fed cuts has been pushed back. The rally during the past two months has been linked to strong central-bank purchases, demand from Asian markets — especially China — and conflicts in Ukraine and the Middle East. In a sign that high prices may be dissuading some retail buyers, US Mint Inc. reported Wednesday that sales of its American Eagle gold coin fell to 15,500 ounces in April, down about a third from the previous month, and less than a 10th of the volume sold in April 2023.

❖ Bond traders pulled forward expectations for the Federal Reserve's first full interest-rate cut by a month to November ahead of a key US jobs report on Friday. The recalibration came amid the best two-day rally for short-end Treasuries since January, following the central bank's latest policy meeting on Wednesday. Yields on two-year notes, among those most sensitive to interest rates, have tumbled 17 basis points to 4.87% from their high for the year of 5.04% on Tuesday. The market took flight after Fed Chair Jerome Powell struck a less hawkish tone than feared, signaling a rate hike was unlikely and that cuts can be expected once economic data provides clear evidence that inflation is moving downward. Market-friendly data may come as soon Friday with the April jobs report — although Treasuries' capacity for further gains may be limited given the recent advance. Treasury yields have experienced large swings in response to jobs data over the past year, and "I expect that historic volatility to hold if there's a large surprise," said Angelo Manolatos, an interest-rate strategist at Wells Fargo Securities LLC. "But in order to get a sustained rally, we need inflation data to start coming in on the softer side." The bullish sentiment flowed into Asia, with the yields on Australian and New Zealand debt falling this week. The yield on policy-sensitive three-year Australian debt were three basis points lower at 4.04% in early trading Friday, while two-year New Zealand yields fell five basis points. Cash Treasuries are closed in Asia due to a holiday in Japan. April employment data to be released Friday at 8:30 a.m. in Washington — though currently less critical than inflation readings in Fed deliberations on interest rates — still have the potential to alter investor expectations. Job creation has exceeded economist estimates for five straight months, and wage growth remains higher than pre-pandemic levels, creating upward pressure on inflation as the Fed tries to curb it.

❖ Zimbabwe will seek full convertibility of its new currency, the ZiG, as a way to further support the unit and protect it from collapse, according to Mthuli Ncube, the Finance Minister. The ZiG's predecessor, the Zimbabwe dollar, couldn't be exchanged for other currencies, or traded outside the country. The international community has "reacted positively" to the new unit since its launch last month, and asked Zimbabwean authorities to ensure it's kept stable, according to Ncube. "Everyone is looking for stability in order to have a predictable environment for running an economy," Ncube said in an interview Thursday on the sidelines of an investment summit in Johannesburg. Zimbabwe consulted the International Monetary Fund and received technical advice from the World Bank on the new currency, central bank Governor John Mushayavanhu has said previously. "It will be wonderful if we can work on the currency convertibility aspect, to make sure that it's a strong currency that is convertible and has all the features of a global currency," said Ncube. "In order to really strengthen the currency it's a quest that we should have in mind and we are looking into that." Authorities do not yet have a time frame to achieve ZiG convertibility, Ncube added. The ZiG, introduced on April 5, is backed by 2.5 tons of gold and about \$100 million in foreign currency reserves. Earlier this week, the central bank introduced ZiG bank notes and coins to members of the public for the first time. The central bank's deputy governor, Innocent Matshe, earlier Thursday said the nation has fully migrated to the ZiG, Zimbabwe's sixth attempt to have a functional local currency.

❖ Zimbabwe plans to start a commodities bourse next month, which will trade on its dollar-only stock exchange located in the resort city of Victoria Falls. The commodities bourse will be part of the Victoria Falls Stock Exchange, according to Chief Executive Officer Justin Bgoni. "We want to start with ferrochrome and chrome ore," he told delegates Thursday at an investment conference in Johannesburg. "We will also do lithium and this will be in partnership with the mines ministry." The commodities exchange hopes to connect international buyers and sellers, encourage price discovery for the sale of precious metals and foster transparency in the mining sector, according to Bgoni. The southern African nation has a rich endowment of mineral resources including gold, diamonds, platinum and coal. Gold, the nation's single largest foreign-exchange earner, is being used to back the ZiG — short for Zimbabwe Gold — a new currency unveiled early last month. Trading ferrochrome and chrome ore on the commodities exchange is meant to help small-scale miners get value for their minerals, Bgoni said. "We have some of the best ores in the world," he added. Meanwhile, plans to establish an offshore financial services center in Victoria Falls are still in progress with the southern African nation also studying examples in Kazakhstan and Qatar. "We really want to be competitive and attractive," said Bgoni. "We must be known for mining finance, especially for helping junior miners."

Fundamental Outlook: Gold and silver prices are trading flat today on the international bourses. We expect gold and silver prices to trade range-bound to slightly lower for the day, as gold prices were headed for its first back-to-back weekly loss in more than two months on concerns that the Federal Reserve may take longer to cut interest rates than previously expected as inflation risks persist. Investors are counting down to the monthly US jobs data later today for more insight into the strength of the economy.

Key Market Levels for the Day

Time	Month	S3	S2	S1	R1	R2	R3
Gold – COMEX	June	2245	2275	2300	2320	2350	2370
Silver – COMEX	May	26.20	26.50	26.80	27.00	27.20	27.50
Gold – MCX	June	70100	70400	70700	71000	71200	71350
Silver – MCX	May	79700	80300	81000	81700	82300	83000

Nirmal Bang Securities - Daily Currency Market Update

Dollar Index

LTP/Close	Change	% Change
105.30	-0.46	-0.43

Bond Yield

10 YR Bonds	LTP	Change
United States	4.5811	-0.0472
Europe	2.5400	-0.0420
Japan	0.9010	0.0100
India	7.1600	-0.0260

Emerging Market Currency

Currency	LTP	Change
Brazil Real	5.1119	-0.0815
South Korea Won	1375.85	-6.2500
Russia Rubble	93.1784	-0.6467
Chinese Yuan	7.2411	0.0121
Vietnam Dong	25382	48
Mexican Peso	16.9842	-0.0115

NSE Currency Market Watch

Currency	LTP	Change
NDF	83.49	-0.02
USDINR	83.535	0.03
JPYINR	53.7125	0.1375
GBPINR	104.53	-0.035
EURINR	89.3425	-0.1225
USDJPY	154.26	-2.17
GBPUSD	1.2535	-0.0034
EURUSD	1.0713	-0.002

Market Summary and News

❖ Treasuries aggressively bull-steepened Thursday as front-end yields extended the slide since the Fed meeting, reflecting the eroding tail risk of a rate hike as the central bank's next policy move. Several futures block trades and steepened flow provided support. Gains were pared slightly during US morning after higher-than-expected 1Q preliminary unit labor cost data, but yields were near lows of the day shortly after 3pm New York time. 2-year yields ended ~8bp richer on the day, long-end yields by ~3bp, steepening 2s10s spread by ~3bp, 5s30s by ~5bp; 10-year yields ended near session low 4.57%. As Fed commentary continued to sink in — along with diminishing risk of a rate hike — block trades in futures helped the rally; flows included a \$290k/DV01 Treasury 5-year buyer and a large SOFR buyer. Other futures flows included a steepened wager via Bond and Ultra bond contracts as 5s30s spread ended the day near session wide's. Just ahead of 3pm New York time a 12,700 2-year futures block also appeared consistent with a buyer as cash yield reached session low 4.873%. In Treasury options, flow highlights included a \$4.2 million buyer of Week 2 5-year calls, targeting a yield decline to around 4.5% by the end of next week. \$4.2 Million Options Trade Targets US 5-Year at 4.50% in a Week.

❖ Bond traders in India will look forward to a 280b-rupee (\$3.3b) auction of government debt. The rupee may track regional peers higher. USD/INR was little changed at 83.4675 on Thursday. Implied opening from forwards suggest spot may start trading around 83.35. 10-year yields fell 3bps to 7.16%. Global Funds Sell Net 9.64B Rupees of India Stocks on May 2: NSE. They sold 100 million rupees of sovereign bonds under limits available to foreign investors, and withdrew 4.3 billion rupees of corporate debt. State-run banks sold 25.8 billion rupees of sovereign bonds on May 2: CCIL data. Foreign banks bought 10.8 billion rupees of bonds.

❖ Emerging-market currencies dimmed to a three-week high, led by gains in Latin America, which saw a catch up session after Federal Reserve Chair Jerome Powell on Wednesday downplayed the possibility of interest rate hikes that could sap demand for riskier assets. Brazil's real surged 1.6%, the most since November, leading gains among developing market currencies, as Latin American markets reopened after a holiday. Moody's Ratings became the first ratings company to revise the Brazil's credit outlook to positive, in decision announced Wednesday. Chile's peso dimmed 1.4% while Colombia's currency gained 0.5%. The Fed's guidance should be enough for EM central banks to shy away from accelerating interest-rate cuts, Citigroup said in a note, in which it revived recommended carry trades on currencies like the real and Mexico's peso. Mexico's peso gave up most of its gains in the afternoon as traders turned cautious ahead of Friday's US payrolls report. The koruna reversed losses to firm dimb more than 0.6% versus the dollar after the country's central bank chief said policymakers would be cautious about more cuts after it lowered its benchmark rate by half a percentage point to 5.25%, as expected. EM equities rose led by Hong Kong-listed Chinese consumer-Internet stocks including Tencent, Meituan.

Key Market Levels for the Day

	S3	S2	S1	R1	R2	R3
USDINR Spot	83.1550	83.2325	83.3075	83.4225	83.4725	83.5350

Nirmal Bang Securities - Bullion Technical Market Update

Gold Market Update



Market View	
Open	71278
High	71278
Low	70301
Close	70736
Value Change	11
% Change	0.02
Spread Near-Next	123
Volume (Lots)	8872
Open Interest	18039
Change in OI (%)	-2.93%

Gold - Outlook for the Day

SELL GOLD JUNE (MCX) AT 71000 SL 71250 TARGET 70700/70400

Silver Market Update



Market View	
Open	81495
High	81614
Low	80275
Close	81363
Value Change	136
% Change	0.17
Spread Near-Next	0
Volume (Lots)	21995
Open Interest	23855
Change in OI (%)	-0.61%

Silver - Outlook for the Day

BUY SILVER JULY (MCX) AT 81000 SL 80300 TARGET 81800/82300

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 83.50, which was followed by a session where price shows minimal buying from lower level with candle closures near high. A small green candle formed by the USDINR price where price having support 20-days moving averages placed at 83.44. 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 83.46 and 83.57.

Key Market Levels for the Day

	S3	S2	S1	R1	R2	R3
USDINR May	83.3825	83.4350	83.4875	83.5725	83.6250	83.6675

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