

Daily Bullion Physical Market Report

Date: 18th March 2024

Daily India Spot Market Rates

Description	Purity	AM	PM
Gold	999	65534	65559
Gold	995	65272	65297
Gold	916	60029	60052
Gold	750	49150	49169
Gold	585	38337	38352
Silver	999	74125	74210

Rate as exclusive of GST as of 15th March 2024 Gold is Rs/10 Gm & Silver in Rs/Kg

Gold and Silver 999 Watch

Date	GOLD*	SILVER*
15 th March 2024	65559	74210
14 th March 2024	65523	73781
13 th March 2024	65335	72469
12 th March 2024	65566	72675

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

COMEX Futures Watch

Description	Contract	Close	Change	%Chg
Gold(\$/oz)	APR 24	2161.50	-13.30	-0.61
Silver(\$/oz)	MAY 24	25.38	-0.10	-0.38

ETF Holdings as on Previous Close

ETFs	In Tonnes	Net Change
SPDR Gold	816.86	0.00
iShares Silver	12,997.11	-31.29

Gold and Silver Fix

Description	LTP
Gold London AM Fix(\$/oz)	2170.35
Gold London PM Fix(\$/oz)	2163.45
Silver London Fix(\$/oz)	25.22

Bullion Futures DGCX

Description	Contract	LTP
Gold(\$/oz)	APR. 24	2170.35
Gold Quanto	APR. 24	2163.45
Silver(\$/oz)	MAY. 24	25.22

Gold Ratio

Description	LTP
Gold Silver Ratio	85.16
Gold Crude Ratio	26.67

Weekly CFTC Positions

	Long	Short	Net
Gold(\$/oz)	190374	30814	159560
Silver	45652	18991	26661

MCX Indices

Index	Close	Net Change	% Chg
MCX iCOMDEX Bullion	16766.83	17.95	0.11 %

Macro-Economic Indicators

Time	Country	Event	Forecast	Previous	Impact
18th March 03:30 PM	Europe	Final Core CPI y/y	3.1%	3.1%	Low
18th March 03:30 PM	Europe	Final CPI y/y	2.6%	2.6%	Low
18th March 07:30 PM	United States	NAHB Housing Market Index	48	48	Low

Nirmal Bang Securities - Daily Bullion News and Summary

❖ Gold headed for its first weekly loss in four after a series of hot inflation readings pushed back expectations for when the Federal Reserve will cut interest rates. Swaps markets are now indicating a 52% chance of a Fed rate cut in June, down from 67% a week ago. The Federal Open Market Committee is widely expected to leave borrowing costs unchanged for a fifth consecutive meeting next week, with policymakers reducing rates for the first time in June, economists say. The precious metal is still holding near record highs after rallying sharply since mid-February, and is within sight of the \$2,200 an ounce threshold. It's been supported by increased buying in China and from the world's central banks, as well as elevated geopolitical tensions in the Middle East and Ukraine. The rally that's propelled gold to record highs comes with risks that investors must consider, China's Securities Times said in a front-page commentary. Less experienced investors should consider products with higher liquidity such as bullion-backed exchange-traded funds and bank wealth management products, the state-backed Chinese newspaper said.

❖ Money managers have increased their bullish gold bets by 28,500 net-long positions to 159,560, weekly CFTC data on futures and options show. The net-long position was the most bullish in about two years. Long-only positions rose 25,734 lots to 190,374 in the week ending March 12. The long-only total was the highest in 15 weeks. Short-only positions fell 2,766 lots to 30,814. The short-only total was the lowest in about nine months. Money managers have increased their bullish silver bets by 11,131 net-long positions to 26,661, weekly CFTC data on futures and options show. The net-long position was the most bullish in about eight months. Long-only positions rose 4,603 lots to 45,652 in the week ending March 12. The long-only total was the highest in 15 weeks. Short-only positions fell 6,528 lots to 18,991. The short-only total was the lowest in more than 14 months.

❖ Zimbabwe's central bank has stockpiled 1.2 tons of gold since the southern African country introduced regulations in 2022 requiring miners to pay part of their royalties in the metal they extract, the Sunday Mail reported citing Governor John Mangudya. The accumulation comes even as authorities consider using bullion to back the nation's battered currency in an effort to end its persistent instability. No details have been released as yet. 2022, the mineral-rich nation introduced a law stipulating half of the royalties on gold and other precious minerals must be paid in kind. Besides gold, Zimbabwe has the world's third-largest reserves of platinum, and also mines diamonds, nickel, chrome, lithium and coal.

❖ A recent pickup in inflation isn't likely to shift Federal Reserve policymakers' forecasts for three interest-rate cuts this year and four in 2025, according to economists surveyed by Bloomberg News. The Federal Open Market Committee will keep rates steady in the 5.25% to 5.5% range for a fifth consecutive meeting next week, with policymakers reducing rates for the first time in June, economists say. A solid majority of survey respondents see Fed officials penciling in three or more cuts in 2024, while more than a third expect two or fewer. Fed Chair Jerome Powell and his colleagues will update their economic and rate projections at the March 19-20 meeting for the first time since December, and survey respondents expect only small tweaks to their outlook with no change in the projected rate path. "We look for the FOMC to nudge up its median forecast for inflation for this year, but otherwise we do not anticipate large changes to the macro or interest-rate projections," said Kathy Bostjancic, chief economist at Nationwide Mutual Insurance Co. Recent sticky inflation "should add to Powell's reticence in sending a green light on a near-term rate cut." Economists see policymakers marking up their 2024 forecasts for US gross domestic product to an annual rate of 1.7% from 1.4% and lifting their inflation projection to 2.5% from 2.4%. In congressional testimony last week, Powell emphasized the central bank has made good progress in nudging inflation toward its 2% target and needed "just a bit more evidence" before making an initial rate cut. "We're not far from it," he told lawmakers. In light of Fed officials' reluctance to reduce borrowing costs, JPMorgan Chase & Co.'s Chief US Economist Michael Feroli said Friday that he now projects three rate cuts this year rather than the five he had been expecting.

❖ The European Central Bank should be able to make a decision on interest rates in June, according to Governing Council member Gabriel Makhlof. "The history of monetary policy tells us that rushed decisions tend to be wrong decisions," he wrote in a blog post on Friday. "Patience is a virtue. But waiting for clear and unambiguous evidence is also not realistic and we have to manage the uncertainty and make decisions on the evidence in front of us." Ireland's central bank chief said that his "current view is that the picture should be sufficiently clearer when the Governing Council meets in June (as we will have a lot more information – particularly on wage dynamics – available in our deliberations) to give us sufficient confidence to make monetary less restrictive." Fellow policymakers have also voiced their preference to start lowering borrowing costs that month, though some have suggested an earlier move could be possible. "Given the continued disinflation we have seen and progress on underlying inflation, it's becoming clear that there is scope for a change in our monetary policy stance, and, specifically, to make it somewhat less restrictive," Makhlof said. "I remain open-minded as to when any reduction in our policy rates should take place."

Fundamental Outlook: Gold and silver prices are trading lower today on the international bourses. We expect gold and silver prices to trade range-bound to slightly lower for the day, as gold and silver prices are steady ahead of a Federal Reserve rate meeting this week, which may provide a steer on when policymakers will pivot to lowering borrowing costs.

Key Market Levels for the Day

Time	Month	S3	S2	S1	R1	R2	R3
Gold – COMEX	Apr	2100	2120	2145	2160	2180	2200
Silver – COMEX	May	24.75	25.00	25.20	25.35	25.55	25.70
Gold – MCX	Apr	64850	65100	65300	65500	65700	65850
Silver – MCX	May	74300	74800	75200	75600	76100	76650

Nirmal Bang Securities - Daily Currency Market Update

Dollar Index

LTP/Close	Change	% Change
103.43	0.57	0.56

Bond Yield

10 YR Bonds	LTP	Change
United States	4.3063	0.0160
Europe	2.4410	0.0160
Japan	0.7860	0.0090
India	7.0640	0.0240

Emerging Market Currency

Currency	LTP	Change
Brazil Real	4.9959	0.0061
South Korea Won	1329.9	12.1500
Russia Rubble	92.525	0.9971
Chinese Yuan	7.197	0.0027
Vietnam Dong	24722	22
Mexican Peso	16.7144	0.0133

NSE Currency Market Watch

Currency	LTP	Change
NDF	82.99	-0.06
USDINR	82.88	0.0175
JPYINR	55.8225	-0.4
GBPINR	105.655	-0.47
EURINR	90.26	-0.4
USDJPY	148.05	0.54
GBPUSD	1.2738	-0.0065
EURUSD	1.0885	-0.0057

Market Summary and News

❖ The dollar is set to have its best week in nearly two months as a series of above-forecast inflation reports rein in market expectations for Federal Reserve rate cuts this year. The Bloomberg Dollar Spot Index rises 0.2% before losing traction; it's up 0.5% on a weekly basis. US 10-year Treasury yield is up one basis points at 4.30%, holds near a two-week high. Import prices rose 0.3% in February while export prices increased 0.8% on the month. A recent pickup in inflation isn't likely to shift Fed policymakers' forecasts for three interest-rate cuts this year and four in 2025, according to economists surveyed by Bloomberg News. US consumer sentiment ticked down to 76.5 from 76.9 in February as Americans grew somewhat more cautious about the outlook ahead of the presidential election; long-term inflation expectations held steady at 2.9%. Empire manufacturing index of -20.9 in March was below 7.0 forecast. "Keep modest USD longs (vs EUR, CAD) on US exceptionalism," write analysts at JPMorgan. "Next week, attention will shift to the Fed meeting, with the key question for markets whether the median SEP dot projections for the policy path will shift from showing three rate cuts to just two for this year," writes Daria Parkhomenko at RBC. Flags upcoming meetings outside North America including the Reserve Bank of Australia, Bank of Japan, Swiss National Bank, Bank of England and Norges Bank; USD/JPY rises as much as 0.6% to 149.17, one-week high, as Treasury yields firm; pair is up 1.4% this week, biggest gain in about two months. Members of Japan's largest union group have so far secured average annual deals of 5.28%, in a result that may be strong enough to nudge the central bank toward raising interest rates. Offers seen at 149.50 on a take-profit basis, a Europe-based trader says. Volatility levels sink as spot moves above key pivot level of 149. EUR/USD is slightly higher at 1.0887, trims weekly drop to 0.5%; large Monday expiries at 1.0900 seen cap rally. Inflation in France is not far from the European Central Bank's 2% target, Francois Villeroy de Galhau said. EUR/CHF is little changed at 0.9623; it's up a sixth week for longest run in nine years as SNB meeting's next week is now in focus. GBP/USD is down 0.1% at 1.2738 Friday and down 0.9% on the week. Kiwi leads G-10 losses, falling 0.7% to 0.6090 on Friday; AUD/USD slips 0.3% to 0.6563, taking its weekly loss to 0.9% amid CNH weakness and interbank sales Friday around the New York afternoon fix. Implieds rebound from a four-year low as traders load up on options ahead of policy meetings USD/CAD is little changed at 1.3533; "There is risk heading into next week's events that USD/CAD may see a short-term break above the 1.3600 topside area that we have been flagging," notes RBC's Parkhomenko.

❖ Emerging market currencies posted their worst five-day performance since January as traders position themselves for a less dovish Federal Reserve. The MSCI index for developing-nation currencies edged 0.3% lower on Friday, and is down 0.2% for the week, the biggest decline since the five days ended Jan. 19; meantime the dollar advanced, snapping a three-week losing streak. For the day, the South Korean won led declines Friday among emerging-market peers, followed by Malaysia's ringgit, Thailand's baht and Taiwan's dollar. The Hungarian forint topped advancers, strengthening as some of the heat was taken out of a confrontation between the government and the central bank. Chile's peso ends week as best-performing currency in Latin America, as rising inflation and stronger activity data damp expectations over the extent of future rate cuts. Colombia's peso closed higher, still holding on to gains even though oil reversed its intraday direction; peso is on track to test year-to-date high at 3,870/USD. The Peruvian sol was little changed Friday and for the week, though was supported by copper's rally and from the protection offered by the central bank as traders see it intervening by selling dollars on any sign of a quick depreciation swing. MSCI's benchmark for EM Equities fell 0.2% for the week, dragged down by Taiwan Semiconductor Manufacturing, Samsung Electronics Co Ltd., and Tencent Holdings Ltd. Taiwan Semi accounted for a quarter of the index's losses; Samsung: less than a tenth and Tencent, about 5%. A sub index of Latin American stocks fell for a second day in a row and closed 0.5% lower. Vale accounted for a majority of the index's losses as iron ore declined with few signs of a turnaround in Chinese steel demand. The extra yield investors demand to own EM USD sovereign bonds rather than USTs widened 4 bps to 358, according to tentative intraday quotes from JPMorgan indexes. Colombia's slowing inflation and weak economy call for more aggressive interest-rate cuts. Poland's LPP falls 36% after activist short-seller Hindenberg Research said the company's withdrawal from Russia was a "sham." China drained cash from the banking system with a medium-term liquidity tool for the first time since November 2022, extending its cautious approach to the use of monetary policy to boost growth and showing its willingness to support the yuan. Hindenberg Research took a short position in Poland's biggest fashion retailer LPP, alleging the company hasn't really divested its Russia business as it had claimed. Damage to four subsea cables off the west coast of Africa is disrupting internet services across the continent.

Key Market Levels for the Day

	S3	S2	S1	R1	R2	R3
USDINR Spot	82.7025	82.7575	82.8055	82.9075	82.9550	83.0175

Nirmal Bang Securities - Bullion Technical Market Update

Gold Market Update



Market View	
Open	65659
High	65897
Low	65510
Close	65542
Value Change	-53
% Change	-0.08
Spread Near-Next	360
Volume (Lots)	5135
Open Interest	13833
Change in OI (%)	-9.51%

Gold - Outlook for the Day

BUY GOLD APR (MCX) AT 65300 SL 65100 TARGET 65600/65800

Silver Market Update



Market View	
Open	75307
High	76049
Low	75307
Close	75650
Value Change	424
% Change	0.56
Spread Near-Next	1373
Volume (Lots)	14253
Open Interest	26410
Change in OI (%)	4.48%

Silver - Outlook for the Day

SELL SILVER MAY (MCX) AT 75600 SL 76100 TARGET 74800/74500

Nirmal Bang Securities - Currency Technical Market Update

USDINR Market Update



Market View

Open	82.9925
High	82.9925
Low	82.8625
Close	82.88
Value Change	0.0175
% Change	0.0211
Spread Near-Next	0.3528
Volume (Lots)	2173965
Open Interest	2938757
Change in OI (%)	-0.21%

USDINR - Outlook for the Day

The USDINR future witnessed a gap-up opening at 82.99, which was followed by a session that showed profit taking from higher level with candle closures near high. A long red candle formed by the USDINR price having resistance of downward trade-line placed at 83. On the daily chart, the MACD showed a positive crossover below the zero-line, while the momentum indicator, RSI has trailing between 38-44 levels. We are anticipating that the price of USDINR futures will fluctuate today between 82.83 and 82.95.

Key Market Levels for the Day

	S3	S2	S1	R1	R2	R3
USDINR March	82.7225	82.7875	82.8375	82.9575	83.0225	83.0775

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