

### Daily Bullion Physical Market Report

Date: 19<sup>th</sup> March 2024

#### Daily India Spot Market Rates

Description	Purity	AM	PM
Gold	999	65270	65612
Gold	995	65009	65350
Gold	916	59787	60100
Gold	750	48953	49209
Gold	585	38183	38383
Silver	999	73772	74156

Rate as exclusive of GST as of 18<sup>th</sup> March 2024 Gold is Rs/10 Gm & Silver in Rs/Kg

#### Gold and Silver 999 Watch

Date	GOLD*	SILVER*
18 <sup>th</sup> March 2024	65612	74156
15 <sup>th</sup> March 2024	65559	74210
14 <sup>th</sup> March 2024	65523	73781
13 <sup>th</sup> March 2024	65335	72469

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

#### COMEX Futures Watch

Description	Contract	Close	Change	%Chg
Gold(\$/oz)	JUN 24	2185.90	2.80	0.13
Silver(\$/oz)	MAY 24	25.27	-0.12	-0.46

#### ETF Holdings as on Previous Close

ETFs	In Tonnes	Net Change
SPDR Gold	831.84	14.98
iShares Silver	12,923.15	-73.96

#### Gold and Silver Fix

Description	LTP
Gold London AM Fix(\$/oz)	2155.30
Gold London PM Fix(\$/oz)	2158.15
Silver London Fix(\$/oz)	25.18

#### Bullion Futures DGCX

Description	Contract	LTP
Gold(\$/oz)	APR. 24	2164.4
Gold Quanto	APR. 24	65628
Silver(\$/oz)	MAY. 24	25.27

#### Gold Ratio

Description	LTP
Gold Silver Ratio	86.52
Gold Crude Ratio	26.43

#### 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	16783.00	7.24	0.04 %

#### Macro-Economic Indicators

Time	Country	Event	Forecast	Previous	Impact
19 <sup>th</sup> March 06:00 PM	United States	Building Permits	1.50M	1.47M	Medium
19 <sup>th</sup> March 06:00 PM	United States	Housing Starts	1.43M	1.33M	Low

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

❖ Gold steadied at the start of a week that will bring a slew of central bank interest-rate decisions from countries including the US, England and Japan. Investors may glean more on the Federal Reserve's resolve to ease and how close Japan is to finally exiting negative interest rates, as central banks set policy for almost half the global economy. The Fed's quarterly forecasts — known as the dot plot — will be released when officials gather Wednesday. It may reveal whether still-robust economic data are giving Washington officials cause to delay their intentions to cut rates — or whether their outlook for three reductions this year remains on track. A raft of hotter-than-expected inflation readings last week saw traders dial back bets on the pace and scope of monetary easing expected this year. Higher rates are typically negative for the non-yielding precious metal. Still, bullion is holding near record highs after rallying sharply since mid-February. Holdings of SPDR Gold Shares, the world's largest physically backed gold exchange-traded fund, rose by 1.8% on Friday, the biggest one-day increase since Jan. 21, 2022, according to Bloomberg data. This came as bullion prices slid 0.3%. If GLD ETF's Friday gain translates into a trend, that'll provide a boost for bullion prices to new potential all-time highs. Investor holdings in gold ETFs generally rise when bullion prices gain, and vice versa. ETFs had been a key driver in gold's rally during the pandemic to a record high at the time. Since then, there's been a glaring disconnect between prices and such ETFs.

❖ Exchange-traded funds added 65,620 troy ounces of gold to their holdings in the last trading session, bringing this year's net sales to 3.73 million ounces, according to data compiled by Bloomberg. This was the biggest one-day increase since Dec. 27, 2023. The purchases were equivalent to \$141.5 million at the previous spot price. Total gold held by ETFs fell 4.4 percent this year to 81.9 million ounces. Gold advanced 4.5 percent this year to \$2,155.90 an ounce and fell by 0.3 percent in the latest session. State Street's SPDR Gold Shares, the biggest precious-metals ETF, boosted its holdings by 481,490 ounces in the last session. The fund's total of 26.7 million ounces has a market value of \$57.7 billion. ETFs cut 946,381 troy ounces of silver from their holdings in the last trading session, bringing this year's net sales to 1.43 million ounces. This was the third straight day of declines.

❖ Two- and five-year Treasury yields climbed to the highest levels this year as swaps traders and economists at Goldman Sachs Group Inc. forecast fewer Federal Reserve interest-rate cuts. The US two-year yield reached 4.749%, the highest level since Dec. 11, before paring the advance and ending the session little changed. The yield on the five-year note touched 4.367%, the highest since Nov. 28. At one point Monday swap contracts that predict decisions by the US central bank put the odds of a June rate cut at less than 50%. The contracts would ultimately finish the day lower, reflecting expectations that a rate cut by the June meeting was slightly more likely than not. The Fed has kept its benchmark rate in a range between 5.25% and 5.5% since July. "There is still way too much liquidity out there," Michael Contopoulos, director of fixed income at Richard Bernstein Advisors, said. "Financial conditions are easing, credit is flowing freely, unemployment is low and inflation is stubborn, earnings growth is accelerating and speculation is rampant. This is not an environment conducive to cutting interest rates." Swap traders also penciled in a total of 69 basis points of reductions for the year, fewer than the three quarter-point cuts suggested by the median Fed official projections at the December policy meeting. It points to an increasing risk that Fed officials may revise their projections to imply fewer cuts when they conclude a two-day meeting on Wednesday, as inflation and growth data have come in better than expected. It would take only two policymakers switching to two cuts this year from three for the central bank's median forecast to move higher. "Arithmetically, it is very easy for the dots to move from three to two," said Lindsay Rosner, head of multi-sector fixed income investing at Goldman Sachs Asset Management. "Market is pricing that recent inflation prints may have tilted the Fed to push their cuts later in the year as they are trying to garner more confidence."

❖ Cutting European Central Bank borrowing costs could help prevent a euro-area recession, according to Governing Council member Mario Centeno. "At the moment we aren't talking about recession in the euro area — the region has been stagnant in economic terms for practically a year and a half," he said on Monday. "Probably when the decline in interest rates starts to materialize, it will be one of the factors that can help avoid the appearance of a recession." ECB officials are closing in on a first reduction in interest rates in June — once they're convinced consumer-price gains are returning durably to 2%. Greece's Yannis Stournaras told Bloomberg last week that he'd like to see two cuts before the ECB's August break, followed by another two by year-end. Centeno, who heads the Bank of Portugal, warned that if financing conditions are tightened "too much, we can end up not only taking inflation to values that are lower than desirable, but also provoke an economic contraction beyond what would be necessary." He also told students at an event in Lisbon that financial stability is a prerequisite for price stability.

**Fundamental Outlook:** Gold and silver prices are trading mix 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 rate decisions in the coming week from countries representing almost half the global economy, including the US, the UK and Japan.

### Key Market Levels for the Day

Time	Month	S3	S2	S1	R1	R2	R3
Gold – COMEX	Apr	2130	2155	2180	2200	2220	2250
Silver – COMEX	May	24.75	25.00	25.20	25.35	25.55	25.70
Gold – MCX	Apr	65000	65200	65500	65700	65850	66000
Silver – MCX	May	74300	74800	75200	75600	76100	76650



### Nirmal Bang Securities - Daily Currency Market Update

#### Dollar Index

LTP/Close	Change	% Change
103.58	0.15	0.14

#### Bond Yield

10 YR Bonds	LTP	Change
United States	4.3242	0.0179
Europe	2.4580	0.0180
Japan	0.7670	-0.0190
India	7.0890	0.0250

#### Emerging Market Currency

Currency	LTP	Change
Brazil Real	5.0255	0.0296
South Korea Won	1333.7	3.8000
Russia Rubble	91.72	-0.805
Chinese Yuan	7.1984	0.0014
Vietnam Dong	24725	3
Mexican Peso	16.8305	0.1161

#### NSE Currency Market Watch

Currency	LTP	Change
NDF	83.03	-0.02
USDINR	82.915	0.035
JPYINR	55.72	-0.1025
GBPINR	105.5975	-0.0575
EURINR	90.405	0.145
USDJPY	148.81	0.76
GBPUSD	1.2734	-0.0004
EURUSD	1.0902	0.0017

#### Market Summary and News

❖ The International Monetary Fund is lending near a record amount to almost 100 countries, evidence of its growing role as a backstop against the financial and political dangers of the post-pandemic world. Primarily because of surging borrowing costs and conflicts, the IMF has had to put out more economic fires, including major blazes in Ukraine, Egypt and elsewhere in Africa as well as in Argentina and Pakistan. IMF credit outstanding, a key measure of money disbursed by the Washington-based fund, climbed to about \$151 billion at the end of February, according to Bloomberg calculations of IMF data. (The IMF reports the figure as 113 billion units of its foreign exchange reserve asset, called Special Drawing Rights.) That's likely to rise further after the fund finalizes up-sizing its support for Egypt to \$8 billion, likely this month, pushing the total toward a recent record in August. Although the pandemic is drifting into the past "countries are still going through pressure and strain," said Masood Ahmed, president of the Center for Global Development think tank and a former head of the IMF's Middle East department. "The world has become more geopolitically fraught. There are more tensions and conflicts." More than 50 of those borrowers have active loan or guarantee programs — about a quarter of the fund's members. While that's down from 90 during the depths of Covid-19 — and largely with smaller zero-interest emergency loans — it's the most ever under the fund's normal borrowing programs. Kristalina Georgieva, the fund's managing director since 2019, has warned that the widening income gap between rich and poor countries is a major factor fueling instability. The other is conflict. "We see trust diminishing among nations too, with geopolitical tensions on the rise," she said in a speech last week. "A fragmented world would be poorer and less secure," she said, referring to the effects of Russia's invasion of Ukraine, the Israel-Hamas war and "many more that often don't make the headlines."

❖ Indian bond traders will watch the demand for state debt, with a higher than expected amount of such notes set to be auctioned later on Tuesday. States will sell 502.06b rupees (\$6b) of bonds this week, higher than the 278.1b rupees mentioned in indicative calendar. Banking system liquidity has eased, helping to push key overnight rates toward the repo, after staying elevated for nearly five months, according to Radhika Rao, an economist at DBS Bank. This follows an additional variable rate repo auction late last week. "Despite stable inflation, cash conditions are likely to be choppy as we approach end-quarter/ end-fiscal year, necessitating the central bank to stay nimble with money market operations." Foreign inflows into debt also remain strong, adding up to \$6.1b so far in 2024, accompanied by \$1.8b into equities, which are likely to be mopped up to limit one-sided gains in the currency. USD/INR little changed at 82.9125 on Monday. Implied opening from forwards suggests spot may start trading around 82.96. 10-year yields rose 3bps to 7.09% on Monday. Global Funds Sell Net 20.5b Rupees Indian Stocks March 18: NSE. They sold 6.16 billion rupees of sovereign bonds under limits available to foreign investors, and withdrew 2.37 billion rupees of corporate debt. State-run banks bought 29.2 billion rupees of sovereign bonds on March 18: CCIL data. Foreign banks sold 23.6 billion rupees of bonds.

❖ The yen held steady against its Group-of-10 peers as investors await a policy rate decision from the Bank of Japan. The Aussie edged lower before the Reserve Bank's decision. USD/JPY little changed at 149.15 after five straight days of gains. Spot dipped to 148.92 in the New York session on a report the Bank of Japan is poised to end its yield curve control policy — as well as purchases of riskier assets such as exchange-traded funds — at the decision Tuesday, Nikkei reported, without saying where it got the information. "Today's BoJ decision may have more of an impact than usual if we see a tightening, which now seems to be the consensus, especially with USD/JPY still elevated and not all that far from Feb's high," wrote the ANZ Bank NZ research team in note to clients. AUD/USD slipped 0.1% to 0.6554 ahead of a policy decision by the Reserve Bank. Potential volatility here is seen as much lower than the BOJ outcome given the RBA is widely expected to keep its cash rate at 4.35% for a third straight meeting, while maintaining a hawkish bias amid uncertainty over the strength of a disinflationary impulse. Yield on 10-year Treasury note steadied around 4.32%. Bloomberg Dollar Spot Index held steady after rising for three days. NZD/USD declined 0.2% to 0.6072 after comments from NZ Treasury saying the economy is in a "severe economic slowdown."

#### Key Market Levels for the Day

	S3	S2	S1	R1	R2	R3
USDINR Spot	82.7525	82.8075	82.8555	82.9575	83.0150	83.0575

## Nirmal Bang Securities - Bullion Technical Market Update

### Gold Market Update



Market View	
Open	65348
High	65700
Low	65180
Close	65608
Value Change	66
% Change	0.1
Spread Near-Next	428
Volume (Lots)	4000
Open Interest	13317
Change in OI (%)	-3.87%

### Gold - Outlook for the Day

**BUY GOLD APR (MCX) AT 65500 SL 65200 TARGET 65800/66000**

### Silver Market Update



Market View	
Open	75400
High	75950
Low	75184
Close	75496
Value Change	-154
% Change	-0.2
Spread Near-Next	1364
Volume (Lots)	8883
Open Interest	26339
Change in OI (%)	-0.27%

### 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	82.8625
High	82.9325
Low	82.84
Close	82.915
Value Change	0.035
% Change	0.0422
Spread Near-Next	0.3178
Volume (Lots)	1118883
Open Interest	2858571
Change in OI (%)	-2.81%

### USDINR - Outlook for the Day

The USDINR future witnessed a flat opening at 82.86, which was followed by a session that showed minimal buying from lower level with candle closures near high. A green candle formed by the USDINR price taken support of 10-days moving average placed at 82.85 level. On the daily chart, the MACD showed a positive crossover below the zero-line, while the momentum indicator, RSI has trailing between 40-46 levels. We are anticipating that the price of USDINR futures will fluctuate today between 82.85 and 82.95.

### Key Market Levels for the Day

	S3	S2	S1	R1	R2	R3
USDINR March	82.7525	82.8075	82.8555	82.9575	83.0150	83.0575



## Nirmal Bang Securities – Commodity Research Team

Name	Designation	Email
Kunal Shah	Head of Research	<a href="mailto:kunal.shah@nirmalbang.com">kunal.shah@nirmalbang.com</a>
Devidas Rajadhikary	AVP Commodity Research	<a href="mailto:devidas.rajadhikary@nirmalbang.com">devidas.rajadhikary@nirmalbang.com</a>
Harshal Mehta	AVP Commodity Research	<a href="mailto:harshal.mehta@nirmalbang.com">harshal.mehta@nirmalbang.com</a>
Ravi D'souza	Sr. Research Analyst	<a href="mailto:ravi.dsouza@nirmalbang.com">ravi.dsouza@nirmalbang.com</a>
Smit Bhayani	Research Associate	<a href="mailto:smit.bhayani@nirmalbang.com">smit.bhayani@nirmalbang.com</a>
Utkarsh Dubey	Currency Research Associate	<a href="mailto:Utkarsh.dubey@nirmalbang.com">Utkarsh.dubey@nirmalbang.com</a>

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