



# India Bullion and Jewellers Association Ltd.

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Daily Bullion Physical Market Report

Date: 02<sup>nd</sup> July 2020

### Daily India Spot Market Rates

Description	Purity	AM	PM
Gold	999	48980	48886
Gold	995	48784	48690
Gold	916	44866	44780
Gold	750	36735	36665
Gold	585	28653	28598
Silver	999	49716	49655

\* Rates are exclusive of GST as of 01<sup>st</sup> July 2020  
Gold in Rs/10 Gm & Silver in Rs/Kg

### Gold and Silver 999 Watch

Date	Gold*	Silver*
01st July 2020	48886	49655
30 <sup>th</sup> June 2020	48559	48600
29 <sup>th</sup> June 2020	48554	48565
26 <sup>th</sup> June 2020	48234	48285

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

### COMEX Futures Watch

Description	Contract	Close	Change	% Chg
Gold(\$/oz)	Aug	1779.90	-20.60	-1.14
Silver(\$/oz)	July	18.22	-0.42	-2.25

### Bullion Futures DGCX

Description	Contract	LTP
Gold (\$/oz)	29July2020	1763.7
Gold Quanto	29July2020	48287
Silver (\$/oz)	26 July2020	18.33

### ETF Holdings as on Previous Close

ETF	In Tons	Net Change
SPDR Gold	1,182.11	3.21
iShares Silver	15,489.77	0.00

### Gold and Silver Fix

Description	LTP
Gold London AM Fix(\$/oz)	1787.40
Gold London PM Fix(\$/oz)	1771.05
Silver London Fix(\$/oz)	18.22

### Weekly CFTC Positions

	Long	Short	Net
Gold	2,05,519.00	29,855	1,75,644.00
Silver	51,609	22,436	29,173

### Gold Ratio

Gold Silver Ratio	97.70
Gold Crude Ratio	44.70

### Macro-Economic Indicators

Time	Country	Event	Forecast	Previous	Impact
02 <sup>nd</sup> July 6:00PM	United States	Average Hourly Earnings m/m	-0.8%	-1.0%	High
02 <sup>nd</sup> July 6:00PM	United States	Non-Farm Employment Change	3037K	2509K	High
02 <sup>nd</sup> July 6:00PM	United States	Unemployment Rate	12.4%	13.3%	High
02 <sup>nd</sup> July 6:00PM	United States	Unemployment Claims	1350K	1480K	Medium
02 <sup>nd</sup> July 6:00PM	United States	Trade Balance	-53.0B	-49.4B	Low
02 <sup>nd</sup> July 7:30PM	United States	Factory Orders m/m	8.6%	-13.0%	Low



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

#### Market Summary and News

- Gold futures slid from their highest price in more than eight years after better-than-expected U.S. manufacturing data and positive results from a coronavirus-vaccine trial eroded haven demand for the metal. An early trial of an experimental vaccine from Pfizer Inc. and BioNtech SE showed it's safe and prompted patients to produce antibodies against the new virus. Meanwhile, a measure of U.S. manufacturing jumped in June to the highest in more than a year, signaling the resumption of growth as pandemic-related lockdowns ended. Bullion posted its first loss in four sessions and its biggest in almost a month, while U.S. equities advanced.
- Federal Reserve officials had "many questions" about the benefits of yield-curve control when they discussed its pros and cons during their meeting in early June. "Many participants remarked that, as long as the committee's forward guidance remained credible on its own, it was not clear that there would be a need for the committee to reinforce its forward guidance with the adoption of a YCT policy," minutes published Wednesday of the June 9-10 Federal Open Market Committee meeting showed. YCT refers to yield caps or targets. U.S. central bankers left interest rates near zero at the session, which was conducted via video conference. They also agreed to keep purchasing Treasury and mortgage-backed bonds at a pace of about \$120 billion a month. In a press conference that followed, Fed Chair Jerome Powell said officials were "not even thinking about thinking about raising rates."
- Exchange-traded funds added 109,776 troy ounces of gold to their holdings in the last trading session, bringing this year's net purchases to 20 million ounces, according to data compiled by Bloomberg. This was the third straight day of growth. The purchases were equivalent to \$195.5 million at yesterday's spot price. Total gold held by ETFs rose 24 percent this year to 102.9 million ounces, the highest level in at least 12 months. Gold advanced 17 percent this year to 1,780.96 an ounce and by 0.5 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 37.9 million ounces has a market value of \$67.5 billion. ETFs also added 8.53 million troy ounces of silver to their holdings in the last trading session, bringing this year's net purchases to 175.4 million ounces. This was the biggest one-day increase since May 22 and the fifth straight day of growth.
- CME Group Inc. is expanding delivery of its new gold futures contract to London vaults, the latest response to an extreme dislocation between the two most important markets for the precious metal. The gold market was upended in late March as lockdowns grounded planes and closed refineries, leading traders to worry they wouldn't be able to get gold to New York in time to deliver against futures contracts. That caused futures, which typically trade in lockstep with the London spot price, to soar to a premium of as much as \$70 an ounce. CME, which owns Comex where the main gold futures contract is listed, said in March it would offer a new futures contract with expanded delivery options that included 400-ounce bars, which is the size that's accepted in the larger spot market in London.
- The U.S. economy can escape another decade- long slog back to health if strong public measures or a vaccine curb virus surges, Federal Reserve Bank of San Francisco President Mary Daly said. "If we can get the public health issues under control either through a robust mitigation strategy or a vaccine, then we can reengage in economic activity quickly," Daly said Wednesday in a virtual Washington Post Live event. "Then it could take just four years or five years. But if we end up with a pervasive, long-lasting hit to the economy, then it could take longer."
- Initial jobless claims continue to point to extended weakness in the labor market. Layoffs remain stubbornly high and soaring Covid-19 cases in Sun Belt states are hindering reopening progress. Some states might reimpose restrictions, keeping consumers at home. States that reopened early including Arizona, Texas, and Florida have reported large increases in virus cases. In California, cases are also rising amid a more cautious reopening process.

**Fundamental outlook:** We have been reiterating that gold prices may find it difficult to breach \$1800 and we have seen profit-taking yesterday we maintain the same view for short term and we remain bullish for the longer-term outlook

#### Key Market Levels for the Day

	Month	S3	S2	S1	R1	R2	R3
Gold – COMEX	August	1730	1745	1768	1790	1810	1830
Silver – COMEX	July	17.30	17.50	17.70	18.30	18.50	18.75
Gold – MCX	August	47700	47900	48150	48500	48650	48800
Silver - MCX	July	48400	48700	49100	49650	50000	50600



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### Nirmal Bang Securities - Daily Currency Market Update

#### Dollar index

LTP/Close	Change	% Change
97.20	-0.20	-0.20

#### Bond Yield

10 YR Bonds	LTP	Change
United States	0.6758	0.0197
Europe	-0.3960	0.0600
Japan	0.0470	0.0190
India	5.8390	-0.0470

#### Emerging Market Currency

Currency	LTP	Change
Brazil Real	5.3198	-0.1478
South Korea Won	1203.35	0.4500
Russia Ruble	71.1864	1.1721
Chinese Yuan	7.0708	0.0068
Vietnam Dong	23205	9
Mexican Peso	22.6985	-0.2939

#### NSE Currency Market Watch

Currency	LTP	Change
NDF	75.71	-0.02
USDINR	75.8025	0.0175
JPYINR	70.525	0.175
GBPINR	93.9675	0.945
EURINR	84.8975	-0.0675
USDJPY	107.51	-0.24
GBPUSD	1.2395	0.0119
EURUSD	1.1203	-0.001

#### Market Summary and News

- The yen climbed as investors dialed back on risk assets before the release of FOMC minutes and U.S. manufacturing data. A resurgence of coronavirus cases also boosted the haven currency. Risk sentiment was hurt when Japanese stocks extended their decline. Yen rises for first time in six days as Japanese shares declined and concerns over the spread of coronavirus spurred haven demand. Super-long bond yields advance as traders ponder the Bank of Japan's stance at its debt buying operations, ahead of the 10-year sale on Thursday. USD/JPY falls 0.3% to 107.64 after rising to a three-week high of 108.16 in response to 2Q Tankan survey that showed confidence among big Japanese manufacturers slid to the lowest since 2009. The yen regained its strength due to lingering concerns over the coronavirus cases in some major U.S. states, such as Texas and Florida.
- An early trial of an experimental vaccine from Pfizer Inc. and BioNtech SE showed promise, keeping it in the lead pack for a Covid-19 shot. Europe's two largest economies reported more evidence of the damage wrought by the pandemic. Unemployment in Germany surged in June, accompanied by warnings of a slower-than-expected recovery. In the U.K., house prices posted their first annual decline since 2012, while the nation's businesses reported a record slump in sales. Airbus SE set out plans to cut 15,000 civil-aerospace jobs worldwide, warning that its biggest ever restructuring doesn't cover a worst-case scenario.
- European Central Bank President Christine Lagarde renewed her warning of a difficult road ahead even as an economic recovery following months of coronavirus shutdowns starts to take hold. "The worst is behind us and the hardest is yet to come," Lagarde said in a video message for a United Nations event. The recovery is going to be "as uncertain and as uneven as the shock was decisive and across the board." It will also lead to a rise in inequality and unemployment that will leave the most vulnerable in difficult conditions, she said.

#### Key Market Levels for the Day

	S3	S2	S1	R1	R2	R3
USDINR Spot	74.8500	75.1000	75.3500	75.6500	75.8500	76.1500



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### Nirmal Bang Securities - Bullion Technical Market Update

#### Gold Market Update



#### Market View

Open	48814
High	48982
Low	48051
Close	48267
Value Change	-495
% Change	-1.02
Spread Near-Next	122
Volume (Lots)	17218
Open Interest	12449
Change in OI (%)	-7.25%

#### Gold - Outlook for the Day

Comex Gold has witnessed a free fall after the PMI data. It seems that the prices are likely to go profit takings and now the immediate strong resistance will be witnessed around \$1790/95. Fresh buying can initiated at lower levels like \$1775. For the day Negative 9/21 MA shows that the negative momentum and recommend to sell on higher levels around \$1785/90 for the target \$1760/50.

**SELL GOLD AUG (MCX) AT 48500-550 SL 48800 TARGET 47800/47700.**

#### Silver Market Update



#### Market View

Open	50333
High	50891
Low	49129
Close	49424
Value Change	-940
% Change	-1.87
Spread Near-Next	0
Volume (Lots)	43733
Open Interest	9769
Change in OI(%)	-18.89%

#### Silver - Outlook for the Day

Comex Silver has given sharp fall to the market and kept the traders guessing which way have to move. The volatile commodity is trading negative and facing selling pressure around 18.20/30 zone. Negative 9/21 MA shows negative momentum in silver sell around \$18.30/40 for the target of \$17.70.

**SELL SILVER SEPT (MCX) AT 49650 SL 50100 TARGET 48700/48400.**



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### Nirmal Bang Securities - Currency Technical Market Update

#### USDINR Market Update



#### Market View

Open	75.7125
High	75.8175
Low	75.68
Close	75.8025
Value Change	0.0175
% Change	0.02
Spread Near-Next	0.225
Volume	874668
Open Interest	1650081
Change in OI (%)	1.15%

#### USDINR - Outlook for the Day

USDINR had a weak open at 75.7125 and tested the lows at 75.6800 but reversed from the same leading the pair to trade in green to mark high at 75.8175 and close near the same at 75.80. On the daily chart, the pair has formed a green candle and has closed with the high and low. Also the momentum in the pair is still in consolidation phase with the band range placed at 75.95 – 75.65. USDINR is now trading below all the important moving averages on the daily chart. The moving averages itself has gone flat all three trading parallel indicating lack of momentum and consolidation phase in short term. The immediate resistance in the pair at 75.95 and if the price breaches the same bullish momentum will continue towards 76.15 – 76.25. However, a breach of 75.60 support can lead the pair to continue its bearish momentum towards 75.40 – 75.30. The daily strength indicator RSI and momentum oscillator Stochastic both are in negative zone which is still indicating weakness in the pair.

**Buy USDINR above 75.85 for the target of 76 / 76.15 with the stoploss at 75.75**

#### Key Market Levels for the Day

	S3	S2	S1	R1	R2	R3
USDINR July	75.1500	75.4500	75.6000	75.9000	76.1500	76.3500



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