



# India Bullion and Jewellers Association Ltd.

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Daily Bullion Physical Market Report

Date: 21<sup>st</sup> May 2020

### Daily India Spot Market Rates

Description	Purity	AM	PM
Gold	999	47356	47260
Gold	995	47166	47071
Gold	916	43378	43290
Gold	750	35517	35445
Gold	585	27703	27647
Silver	999	48315	48120

\* Rates are exclusive of GST as of 20<sup>th</sup> May 2020  
Gold in Rs/10 Gm & Silver in Rs/Kg

### Gold & Silver 999 Watch

Date	Gold*	Silver*
20 <sup>th</sup> May 2020	47260	48120
19 <sup>th</sup> May 2020	46829	46800
18 <sup>th</sup> May 2020	47861	48120
15 <sup>th</sup> May 2020	47067	45035

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

### Comex Futures Watch

Description	Contract	Close	Change	% Chg
Gold(\$/oz)	June	1752.10	6.50	0.37
Silver(\$/oz)	July	18.03	0.13	0.73

### Bullion Futures DGCX

Description	Contract	LTP
Gold (\$/oz)	27 May 2020	1740.2
Gold Quanto	28May2020	47151
Silver (\$/oz)	28 Apr2020	18.05

### ETF Holdings As On Previous Close

ETF	In Tons	Net Change
SPDR Gold	1112.32	-1.46
iShares Silver	13989.07	298.63

### Gold and Silver Fix

Description	LTP
Gold London AM Fix(\$/oz)	1750.05
Gold London PM Fix(\$/oz)	1748.30
Silver London Fix(\$/oz)	17.47

### Weekly CFTC Positions

	Long	Short	Net
Gold	1,81,585.00	20612.00	1,60,973.00
Silver	28918.00	15249.00	13699.00

### Gold Ratio

Gold Silver Ratio	97.17
Gold Crude Ratio	52.32

### Macro-Economic Indicators

Time	Country	Event	Forecast	Previous	Impact
21 <sup>st</sup> May 1:00 PM	Germany	German Flash Manufacturing PMI	39.3	34.5	High
21 <sup>st</sup> May 6:00 PM	United States	Philly Fed Manufacturing Index	-40.0	-56.6	Medium
21 <sup>st</sup> May 6:00 PM	United States	Unemployment Claims	2400K	2981K	Medium
21 <sup>st</sup> May 7:15 PM	United States	Flash Manufacturing PMI	37.5	36.1	High
21 <sup>st</sup> May 7:30 PM	United States	Existing Home Sales	4.31M	5.27M	Medium



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Nirmal Bang Securities - Daily Bullion News and Summary

### Market Summary and News

- Gold climbed for a second day as optimism over a coronavirus vaccine ebbed, boosting demand for havens. Silver hit the highest in almost three months. Assets in exchange-traded funds backed by silver increased by more than 18.5 million ounces Monday and Tuesday, adding to record-high holdings and heading for the biggest weekly gain since March. Silver prices, which fallen relative to gold for much of this year, have gained against the yellow metal this month.
- Venezuela's central bank sued the Bank of England for access to \$1 billion in gold reserves to combat the coronavirus. The Venezuelan bank asked the BOE to liquidate the gold and send the funds to the United Nations Development Programme (UNDP), which is working with the country to prepare for an increase in Covid-19 cases, Zaiwalla & Co., a London law firm representing Venezuela, said Wednesday in a statement.
- U.S. central bankers saw the coronavirus pandemic posing a severe threat to the economy when they met last month and were resolved to deploy their entire arsenal in its defeat. Officials agreed that the virus would weigh heavily in the near-term and "posed considerable downside risks to the economic outlook," minutes published Wednesday of the April 28-29 Federal Open Market Committee meeting showed.
- Given central banks are spewing free cash in the form of stimulus programs and the world is blighted by the sort of pandemic that hasn't been seen for 100 years. Add in U.S.-China trade tensions and the usual dose of other political concerns and it seems a good time to hang out in haven assets. The consensus for a bullish trend is where we flag an alarm.
- Quantitative easing is all well and good, but if the Fed decides the U.S. economy needs additional succor, its next step may be yield-curve control (YCC). The tactic would focus on Fed purchases of Treasury debt on yields, setting a target rate, and buying enough bonds to achieve it. Lowering short-term interest rates below zero, which the Fed has indicated a reluctance to do, might not help the economy much.
- **Fundamental Outlook on Gold:** We remain bullish in the longer term on the outlook of gold however we remain that in near term upside will be capped.

#### Key Market Levels for the Day

	Month	S3	S2	S1	R1	R2	R3
Gold - Comex	June	1695	1715	1725	1760	1775	1800
Silver - Comex	July	17.20	17.45	17.70	18.30	18.45	18.70
Gold - MCX	June	46550	46800	47100	47300	47500	47770
Silver - MCX	July	46850	47500	48200	48500	49100	49600



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### Nirmal Bang Securities - Daily Currency Market Update

#### Dollar index

LTP/Close	Change	% Change
99.12	-0.25	-0.25

#### Bond Yield

10 YR Bonds	LTP	Change
United States	0.6801	-0.0081
Europe	-0.4710	-0.0060
Japan	0.0060	0.0000
India	5.7820	0.0070

#### Emerging Market Currency

Currency	LTP	Change
Brazil Real	5.6933	-0.064
South Korea Won	1230.35	5.1000
Russia Ruble	71.1055	-1.4021
Chinese Yuan	7.0935	-0.0055
Vietnam Dong	23270	-41
Mexican Peso	23.1982	-0.4329

#### NSE Currency Market Watch

Currency	LTP	Change
NDF	75.86	0.15
USDINR	75.72	0.0525
JPYINR	70.3475	0.1
GBPINR	92.855	0.205
EURINR	82.9275	0.0025
USDJPY	107.54	-0.16
GBPUSD	1.2268	0.0022
EURUSD	1.0953	-0.0005

#### Market Summary and News

- The talks of negative rates are again making rounds despite the FED Chairman Jerome Powell's steady message stating that negative rates will hurt the banks and the lending rates. The negative interest rate subject has always drawn a dubious eye as it is seen as a measure to boost the credit demand in the economy and ease the economic activity. The Fed has on Tuesday announced a lending program in order to aid in the revival of economy and is directed towards the medium-sized enterprises and state & local government which would begin operations at the end of this month. The program is set to the extent of the March fiscal lending program up to \$600 billion with the treasury providing \$75 million to offset the losses from the loans which were drawn from \$454 billion provided to support the Fed's lending package program.
- China has announced ease on the foreign exchange settlement and purchases to help with the e-commerce and trade activities. Banks will be allowed to service the request concerning foreign exchange settlement for the cross border trades settlement. The step is taken in correspondence to support the industries of foreign trade, improve services and to ease the policies concerning foreign exchange
- The Euro gained against the dollar now two weeks in row after the 500 billion euro boost in the recovery fund which will be extended to the regions and sectors that are hard hit by the pandemic and will also allow the European commission to borrow on behalf of the European Union. The euro also found a stronger hold on the back of the improved sentiment of German investors. Even the pound is gaining strength though the risk about the UK economy to be sliding in depression and with also low UK inflation adding on the concern.
- Dollar Index is losing its streak with a loss of 0.52% from the highs and testing the 99 on the lower side. The weakness has come after the Fed Chairman Powell's statement that the US economy is likely to pick up the recovery phase in the second half the year which improved the risk sentiment of the investors. The same has been reflected in the Indian rupee as it has been gaining against dollar from the past two sessions and is likely to stay sensitive in line with the developments with the vaccine and US-China trade talks.

#### Key Market Levels for the Day

	S3	S2	S1	R1	R2	R3
USDINR Spot	75.0000	75.2000	75.5000	75.9500	76.1500	76.3500





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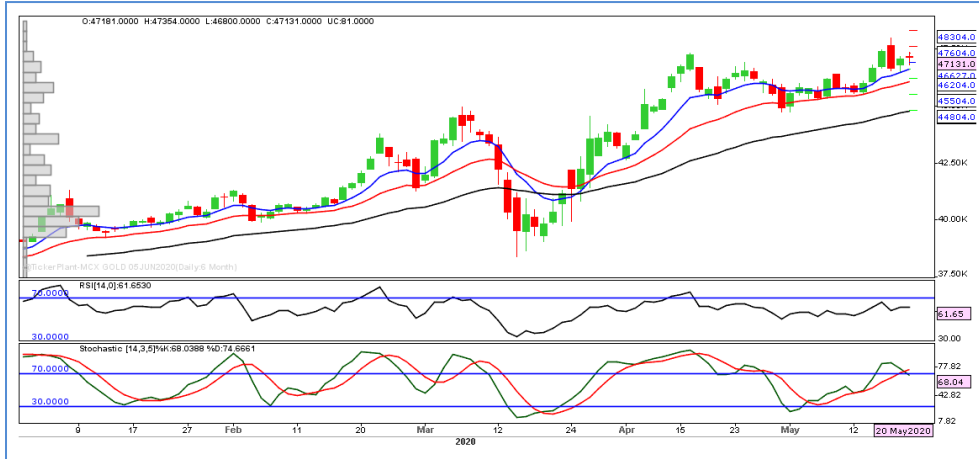


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### Nirmal Bang Securities - Bullion Technical Market Update

#### Gold Market Update



#### Market View

Open	47181
High	47354
Low	46800
Close	47131
Value Change	81
% Change	0.17
Spread Near-Next	209
Volume (Lots)	10944
Open Interest	10507
Change in OI(%)	-5.33%

#### Gold Outlook For The Day

Comex Gold has traded in a range after a long upward rally it seems the commodity has strong resistance around 1760/65 zone. We expect the commodity to trade as a sell on rise around \$1760 for target \$1740/30 for the day. Positive crossover in 9/21 the prices can be supportive at lower levels around \$1730/35 Zone. Positive stochastic and RSI above 65 crossovers will be positive for prices but capped around \$1760/65 zone.

**SELL GOLD JUNE (MCX) AT 47300 SL 47500 TARGET 46800.**

#### Silver Market Update



#### Market View

Open	48970
High	49499
Low	48411
Close	49058
Value Change	237
% Change	0.49
Spread Near-Next	526
Volume (Lots)	30940
Open Interest	8514
Change in OI(%)	4.98%

#### Silver Outlook For The Day

Comex Silver will be capped around \$18.20/30 today. Prices are likely to halt around \$18.20/30 levels and reverse to \$17.70-\$17.50. We are expecting the commodity to witness profit taking after a strong rally. We believed that the prices are likely to correct till \$17.7-17.5 zone. Any upside around 18.29/30 should be used as a selling opportunity for the target of \$17.70/17.50. Negative crossover in 9/21 MA can keep the commodity capped around 18.20/30. Try to sell on rise around \$18.20/30 for target \$17.70/17.50.

**SELL SILVER JULY (MCX) AT 48500 SL 49100 TARGET 47500.**



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### Nirmal Bang Securities - Currency Technical Market Update

#### USDINR Market Update



Market View	
Open	75.4825
High	75.9075
Low	75.4825
Close	75.72
Value Change	0.0525
% Change	0.07
Spread Near-Next	0.2775
Volume	1512125
Open Interest	1763311
Change in OI (%)	-1.28%

#### USDINR Outlook For The Day

USDINR had a weak open but the buying momentum leads the pair to close near the day's high. USDINR closed at 75.72 with a gain of 0.07 %. On the daily chart, the pair has formed a small bullish candle with an upper shadow indicating that the pair is witnessing selling pressure as well as resistance at higher levels. The pair has continued to move sideways representing lacklustre price momentum.

USDINR is trading below its short term (09 SMA) and medium-term (21 SMA) moving averages while maintaining a close resistance to the short term moving average and holding support of the long term moving average (50 SMA). In today's session if USDINR breaches and trades below 75.6 level it could witness selling which could lead the pair towards 75.40 - 75.20 levels. However, if rupee witnessed a breakout above 75.75 level it could lead to buying momentum in pair towards 76 - 76.15. The daily strength indicator RSI and momentum oscillator Stochastic have both turned positive from the oversold zone and are above their respective reference lines indicating positive bias.

**Buy USDINR above 75.70 for the target of 75.85 - 76 with a stoploss of 75.50**

#### Key Market Levels for the Day

	S3	S2	S1	R1	R2	R3
USDINR May	75.0000	75.2000	75.5000	75.9500	76.1500	76.3500



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## Research Team

Name	Designation	E-mail
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>
Shrishty Agarwal	Research Associate	<a href="mailto:shrishty.agarwal@nirmalbang.com">shrishty.agarwal@nirmalbang.com</a>
Riya Singh	Currency Research Analyst	<a href="mailto:riya.singh@nirmalbang.com">riya.singh@nirmalbang.com</a>

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**Address:** Nirmal Bang Securities Pvt. Ltd., B2, 301 / 302, 3rd Floor, Marathon Innova, Opp. Peninsula Corporate Park, Ganpatrao Kadam Marg, Lower Parel (W), Mumbai - 400 013, India