



India Bullion and Jewellers Association Ltd.

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Daily Bullion Physical Market Report

Date: 21st September 2020

Daily India Spot Market Rates

Description	Purity	AM	PM
Gold	585	30149	30198
Gold	995	51330	51413
Gold	999	51536	51620
Gold	916	47207	47284
Gold	750	38652	38715
Silver	999	65799	65905

* Rates are exclusive of GST as of 18th September 2020
Gold in Rs/10 Gm & Silver in Rs/Kg

Gold and Silver 999 Watch

Date	Gold*	Silver*
18 th September 2020	51620	65905
17 th September 2020	51511	65218
16 th September 2020	51797	65883
15 th September 2020	51893	66758

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

COMEX Futures Watch

Description	Contract	Close	Change	% Chg
Gold(\$/oz)	December	1962.10	-20.60	-1.05
Silver(\$/oz)	December	27.13	-0.38	-1.37

Bullion Futures DGCX

Description	Contract	LTP
Gold (\$/oz)	28 September 2020	1948.5
Gold Quanto	23 September 2020	51735
Silver (\$/oz)	25 November 2020	27.05

ETF Holdings as on Previous Close

ETF	In Tons	Net Change
SPDR Gold	1,246.98	0.00
iShares Silver	17,211.13	-57.90

Gold and Silver Fix

Description	LTP
Gold London AM Fix(\$/oz)	1954.75
Gold London PM Fix(\$/oz)	1950.85
Silver London Fix(\$/oz)	27.06

Weekly CFTC Positions

	Long	Short	Net
Gold	2,06,780.00	41,529.00	1,65,251.00
Silver	63,338.00	24,051.00	39,287.00

Gold Ratio

Gold Silver Ratio	72.32
Gold Crude Ratio	47.73

Macro-Economic Indicators

Time	Country	Event	Forecast	Previous	Impact
21 st September 7:30PM	United States	Fed Chair Powell Speaks	-	-	High
-	-	-	-	-	-
-	-	-	-	--	-

MCX Indices

Index	Close	Net Change	% Change
MCX iCOMDEX Bullion	16096.73	46.68	0.29%



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Nirmal Bang Securities - Daily Bullion News and Summary

- Gold recorded a second weekly advance as the dollar steadied, with investors weighing climbing coronavirus cases and a lukewarm Federal Reserve meeting. The U.S., India and Brazil remain the countries with the highest number of cases, though the virus is also surging in Europe. Earlier this week, Fed officials indicated interest rates will stay low for years to come, but stopped short of tweaking bond purchases as some had expected.
- Money managers have increased their bullish silver bets by 3,545 net-long positions to 39,287, weekly CFTC data on futures and options show. The net-long position was the most bullish in eight Weeks. Long-only positions rose 3,464 lots to 63,338 in the week ending Sept. 15. The long-only total was the highest in eight weeks. Short-only positions fell 81 lots to 24,051. The short-only total was the lowest in three weeks.
- More than a dozen central banks will this week confront a new reality where monetary policy in the world's biggest economy is set to stay ultra-loose for the foreseeable future. That guidance from the Fed incorporates a re-imagined policy Frame work to allow inflation to overshoot after periods of underperformance, a stance that already startled global monetary authorities by weakening the dollar when it was unveiled last month. While a cheaper U.S. currency, entrenched by low rates, could affect the inflation outlooks of other central banks, few are likely to respond with immediate loosening themselves.
- The Federal Reserve adjusted its guidance to banks around its \$600 billion emergency Main Street Lending Program, in an apparent attempt to encourage them to make more loans. Fed Chair Jerome Powell, who is likely to face questions about the facility when he appears before lawmakers next week alongside Treasury Secretary Steven Mnuchin, said during a press conference Sept. 16 that officials would be making changes to the program. Powell said the Fed wants banks to take some risk in Main Street loans. "That was the point of it. The question is how do you dial that in? It's not an easy thing to do," Powell said.

Fundamental Outlook: Bullion prices are steady as dollar index is trading lower and market awaits the comments from Fed Chair J. Powell as well as insight from the mining industry at a conference this week. Powell testifies before congressional committees for three straight days. The direction for bullions is expected to be set this week. Meanwhile, dollar index is also trading lower. We believe gold and silver prices will trade in a range-bound for today's session. We also continue to maintain our bullish outlook for gold and silver for medium to long term.

Key Market Levels for the Day

	Month	S3	S2	S1	R1	R2	R3
Gold – COMEX	December	1880	1900	1930	1958	1970	1990
Silver – COMEX	December	26.30	26.50	26.70	27.30	27.55	27.80
Gold – MCX	October	51100	51400	51650	51800	52000	52250
Silver - MCX	September	66200	66800	67500	68200	69300	70000



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Nirmal Bang Securities - Daily Currency Market Update

Dollar index

LTP/Close	Change	% Change
92.93	-0.24	-0.26

Bond Yield

10 YR Bonds	LTP	Change
United States	0.6937	0.0050
Europe	-0.4870	0.0050
Japan	0.0150	-0.0020
India	6.0150	-0.0180

Emerging Market Currency

Currency	LTP	Change
Brazil Real	5.3885	0.149
South Korea Won	1160.4	-13.9500
Russia Ruble	75.7303	0.5483
Chinese Yuan	6.7691	0.0053
Vietnam Dong	23169	-10
Mexican Peso	21.1323	0.2634

NSE Currency Market Watch

Currency	LTP	Change
NDF	73.81	0
USDINR	73.4775	-0.2325
JPYINR	70.39	-0.015
GBPINR	95.4275	0.12
EURINR	87.0225	0.05
USDJPY	104.39	-0.31
GBPUSD	1.2986	0.0066
EURUSD	1.184	0.0043

Market Summary and News

- The yen edges down for first time in five days as traders adjust their positions ahead of Japanese public holidays on Monday and Tuesday. The currency's upward trend remains in place. Dollar-yen may dip below 104 on speculative yen buying in thin trading while Japanese markets are closed for holidays on Monday and Tuesday. While pair has some psychological support at round numbers such as 104.50 and 104, Japanese long weekends typically spur speculative moves. Dollar-yen weakness prevails, coming from weakness in U.S technology shares. The pair could fall to around 103.50 should it breach a July low of 104.19
- Inflation breakeven rates in the U.K. haven't rallied this hard since the end of 2016. They may be pricing an adverse outcome in the Brexit trade talks. The five-year breakeven rate has surged 43 basis points this quarter to 2.93%, putting it above the past year's average. That is at odds with the pound, which despite its recent correction has strengthened considerably since the end of June. In general, the breakeven rate shares a negative slope in its relationship with sterling, given that strength in the currency tends to damp imported prices and curbs inflation. The defiant increase in breakeven rates in the face of resilience in the pound suggests that traders in the rates market are bracing for a possible collapse in the talks between the U.K. and the European Union. Such an outcome would knock the pound lower and stoke inflation since in the worst scenario supply bottlenecks may ensue.
- Indian banks are returning money they borrowed from the central bank earlier this year, boosting the monetary authority's capacity to make more direct purchases of government bonds. The Reserve Bank of India on Thursday said it would buy 100 billion rupees (\$1.4 billion) of bonds from the secondary market on Sept. 24 in the first such direct purchase in six months. This marks a departure from its preference so far this year for Federal Reserve-like Operation Twists. While direct open market operations end up adding cash to the banking system, twist operations are typically liquidity neutral as they involve simultaneous buying and selling. But traders said there is more scope for direct OMOs now because banks are taking the option to return about 1.25 trillion rupees they borrowed from the RBI in February and March.
- These funds were borrowed when the repurchase rate was at 5.15%, making it more attractive for banks to return it now and look to borrow again at a lower rate. So far, about 743 billion rupees has been repaid in three tranches and the remaining money is expected to be repaid by Sept. 18. This creates more space for OMOs at the same time as a run down in the RBI's stock of Treasury bills acts as a constraint on twist operations. The RBI has to keep an eye on how much surplus banking liquidity it wants amid rising inflation. Consumer prices rose 6.7% in August, exceeding RBI's upper limit of 6% for a fifth month. The RBI has kept banking liquidity in a surplus of 6-7 trillion rupees in the past three-four months. If it wants to maintain similar levels of liquidity, it will open up space for 1-1.5 trillion rupees of OMO

Key Market Levels for the Day

	S3	S2	S1	R1	R2	R3
USDINR Spot	72.9000	73.1000	73.4000	73.6500	73.8500	74.0000



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Nirmal Bang Securities - Bullion Technical Market Update

Gold Market Update



Market View

Open	51559
High	51849
Low	51453
Close	51715
Value Change	262
% Change	0.51
Spread Near-Next	145
Volume (Lots)	10017
Open Interest	8433
Change in OI (%)	-9.57%

Gold - Outlook for the Day

Gold prices are likely to trade positive for the day as long as holding above \$1930 seems to be more positive for the prices can test \$1560-70. Positive crossover in 9/21 MA goes supportive for the decision to buy on dips around 1940-30 can test.
BUY GOLD OCT (MCX) AT 51400 SL 51150 TARGET 51650/51800.

Silver Market Update



Market View

Open	68499
High	68500
Low	67480
Close	67877
Value Change	-265
% Change	-0.39
Spread Near-Next	2387
Volume (Lots)	19085
Open Interest	16581
Change in OI(%)	0.42%

Silver - Outlook for the Day

Comex silver is likely to trade ranged between 26.60-27.50. Positive 9/21 MA shows strength momentum buy silver on dips \$26.70-26.50 for target 27.50-27.60.
SELL SILVER DEC (MCX) AT 68200 SL 69300 TARGETS 67700/67300.



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Nirmal Bang Securities - Currency Technical Market Update

USDINR Market Update



Market View

Open	73.705
High	73.8575
Low	73.67
Close	73.71
Value Change	0.0775
% Change	0.11
Spread Near-Next	0.225
Volume	1800871
Open Interest	1350847
Change in OI (%)	-0.13%

USDINRR - Outlook for the Day

USDINR had flat open at 73.70 and thereafter remained in a very narrow range within the levels 73.85 – 73.70 before closing flat. On the daily chart, the pair has formed a flat candle with an upper shadow indicating resistance at higher levels. The pair has continued to trade in horizontal channel maintaining the range of 74 – 73.35. USDINR has given closure below the short term moving average, the medium and long term moving averages on the daily chart. USDINR if opens on a positive note or trades above 73.75, it will move towards 73.95 – 74.15 on the higher side. However, a breach of 73.68 will lead the pair towards 73.50 – 73.30 on the lower side. The daily strength indicator RSI from the highs and momentum oscillator Stochastic are below the reference line representing negative bias in the pair.

Sell USDINR below 73.40 for the target of 73.20 – 73.10 and stoploss at 73.60

Key Market Levels for the Day

	S3	S2	S1	R1	R2	R3
USDINR September	72.9000	73.0000	73.2000	73.6500	73.8500	74.0000



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