



India Bullion and Jewellers Association Ltd.

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Daily Bullion Physical Market Report

Date: 21st January 2021

Daily India Spot Market Rates

Description	Purity	AM	PM
Gold	999	49272	49262
Gold	995	49075	49065
Gold	916	45133	45124
Gold	750	36954	36947
Gold	585	28824	28818
Silver	999	66122	65988

* Rates are exclusive of GST as of 20th January 2021
Gold in Rs/10 Gm & Silver in Rs/Kg

Gold and Silver 999 Watch

Date	Gold*	Silver*
20 th January 2021	49262	65988
19 th January 2021	49141	65801
18 th January 2021	48969	64895
15 th January 2021	49327	65420

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

COMEX Futures Watch

Description	Contract	Close	Change	% Chg
Gold(\$/oz)	February	1870.20	26.20	1.42
Silver(\$/oz)	March	25.77	0.45	1.76

Bullion Futures DGCX

Description	Contract	LTP
Gold (\$/oz)	27 th January 2021	1868
Gold Quanto	27 th January 2021	49554
Silver (\$/oz)	25 th February 2021	25.90

ETF Holdings as on Previous Close

ETF	In Tons	Net Change
SPDR Gold	1,174.13	0.00
iShares Silver	17,862.70	21.67

Gold and Silver Fix

Description	LTP
Gold London AM Fix(\$/oz)	1854.60
Gold London PM Fix(\$/oz)	1856.60
Silver London Fix(\$/oz)	25.30

Weekly CFTC Positions

	Long	Short	Net
Gold	1,58,862.00	53,592.00	1,05,270.00
Silver	71,199.00	27,804.00	43,395.00

Gold Ratio

Gold Silver Ratio	72.58
Gold Crude Ratio	35.08

Macro-Economic Indicators

Time	Country	Event	Forecast	Previous	Impact
21 st January 6:15PM	Europe	Monetary Policy Statement	-	-	High
21 st January 7:00PM	Europe	ECB Press Conference	-	-	High
21 st January 7:00PM	United States	Philly Fed Manufacturing Index	11.2	11.1	Medium
21 st January 7:00PM	United States	Unemployment Claims	930K	965K	Medium
21 st January 7:00PM	United States	Building Permits	1.60M	1.64M	Low
21 st January 7:00PM	United States	Housing Starts	1.56M	1.55M	Low

MCX Indices

Index	Close	Net Change	% Change
MCX iCOMDEX Bullion	15272.91	183.63	1.20%



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Nirmal Bang Securities - Daily Bullion News and Summary

- Gold and copper surged as the dollar weakened amid signs that interests rates may remain low, boosting inflation expectations as Joe Biden begins his first day as U.S. president. The Bloomberg Dollar Spot index extended declines for a third straight day on Wednesday, supporting prices of commodities priced in the greenback. Stocks rose and bond yields tied to inflation expectations held gains from Tuesday, when Biden’s Treasury Secretary Nominee Janet Yellen said that a slew of state spending was needed to fight the Covid-19 pandemic, while playing down concerns about the debt it creates.
- Exchange-traded funds cut 68,602 troy ounces of gold from their holdings in the last trading session, bringing this year's net purchases to 426,097 ounces, according to data compiled by Bloomberg. ETFs also cut 337,913 troy ounces of silver from their holdings in the last trading session, bringing this year's net purchases to 242,251 ounces. This was the sixth straight day of declines, the longest losing streak since Nov. 30.
- President Joe Biden plans to begin immediately unwinding his predecessor’s policies on immigration, climate and other issues on Wednesday with at least 15 executive actions, including moves to reverse U.S. withdrawals from the Paris Agreement and the World Health Organization, and stop construction of a border wall. Biden will also sign orders revoking a permit for the controversial Keystone XL pipeline, imposing a mask mandate on federal property to combat the coronavirus pandemic and ending former President Donald Trump’s travel ban against some predominantly Muslim and African countries.
- Bank of England Governor Andrew Bailey said that the U.K. economy is learning to adapt to lockdowns to contain the coronavirus. Speaking in a webinar, the central bank chief said the economy seemed to weather the closure in November better than it did at the start of the pandemic in early 2020. “We have little to go on in terms of evidence on the economy so far in January,” Bailey said. But evidence suggests that “probably the impact of lockdowns in economic terms is diminishing somewhat. We all find ways to do to do economic activity by adapting. Online shopping is the obvious best example.” Policy makers are grappling with whether Britain needs more monetary stimulus to overcome the biggest slump in three centuries.

Fundamental Outlook: Gold and silver prices are trading range-bound on the international bourses. We expect prices to trade range-bound to higher for the day as the dollar extended declines and Joe Biden was sworn in as U.S. president, with investors looking ahead to the potential delivery of more fiscal stimulus. Silver was also in focus after global exchange-traded fund holdings hit an all-time high.

Key Market Levels for the Day

	Month	S3	S2	S1	R1	R2	R3
Gold – COMEX	February	1820	1850	1870	1899	1850	1820
Silver – COMEX	March	24.90	25.20	25.50	26.00	26.30	26.70
Gold – MCX	February	49100	49350	49500	49700	49900	50100
Silver - MCX	March	65400	66000	66600	67100	67600	68200



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Nirmal Bang Securities - Daily Currency Market Update

Dollar index

LTP/Close	Change	% Change
90.48	-0.02	-0.03

Bond Yield

10 YR Bonds	LTP	Change
United States	1.0802	-0.0084
Europe	-0.5300	-0.0030
Japan	0.0490	-0.0080
India	5.9160	0.0120

Emerging Market Currency

Currency	LTP	Change
Brazil Real	5.3083	-0.0435
South Korea Won	1100.2	-2.7000
Russia Ruble	73.5068	-0.1713
Chinese Yuan	6.4656	-0.0135
Vietnam Dong	23077	16
Mexican Peso	19.6045	-0.0676

NSE Currency Market Watch

Currency	LTP	Change
NDF	73.16	0.05
USDINR	73.0775	-0.1225
JPYINR	70.4125	-0.0025
GBPINR	100.065	0.375
EURINR	88.59	-0.2275
USDJPY	104	0.1
GBPUSD	1.3692	0.0072
EURUSD	1.2123	-0.0014

Market Summary and News

- Bank of England Governor Andrew Bailey said that the U.K. economy is learning to adapt to lockdowns to contain the coronavirus. Speaking in a webinar, the central bank chief said the economy seemed to weather the closure in November better than it did at the start of the pandemic in early 2020. "We have little to go on in terms of evidence on the economy so far in January, probably the impact of lockdowns in economic terms is diminishing somewhat. We all find ways to do to do economic activity by adapting. Online shopping is the obvious best example," Bailey said. Policy makers are grappling with whether Britain needs more monetary stimulus to overcome the biggest slump in three centuries. They'll update their forecasts at the Feb. 4 decision to incorporate the new surge of Covid-19 cases and the country's recent departure from the European Union's single market. Bailey said the BOE still expects a "quite pronounced" effect of the latest lockdown in the first quarter. He reiterated that the bank is reviewing the possibility of using negative interest rates, but hasn't yet starting discussing whether to deploy them.
- Biden's administration may not be targeting a drop in the U.S. currency, yet his pick for Treasury secretary appears to have started one. The dollar is heading for a third day of declines, its longest losing streak in a month, as Biden is set to start his presidency on Wednesday. The Dollar Spot Index is edging lower in the wake of Janet Yellen's nomination testimony on Tuesday, which invoked an enduring era of low interest rates and the need for additional government spending. On Wednesday, the gauge slid as much as -0.3%. The declines have reversed a rebound in the dollar at the start of the year that was making many investors nervous given shorting the currency was one of the most popular trades for 2021. Markets have taken Yellen's comments as a green light to bet against the dollar again. Although the Biden administration may not specifically seek a weaker dollar, further depreciation is likely, citing a dovish Federal Reserve, more fiscal stimulus and investors unwinding exposure to U.S. assets accumulated over the last decade. The greenback is resuming a trend that saw the dollar gauge slide more than 5% last year. Hedge funds boosted net dollar short positions to the highest in nearly three years in the week to Jan. 12, according to data from the Commodity Futures Trading Commission. Yellen's remarks also marked a shift away from the currency policy advanced by the Trump administration, according to a Wednesday note by Brown Brothers Harriman strategists Win Thin and Ilan Solot.
- The European Central Bank is emulating its Asia-Pacific peers by controlling government borrowing costs, just in a uniquely European way. The ECB is buying bonds to limit the differences between yields for the strongest and weakest economies in the euro zone, according to officials familiar with the matter, with one person saying the central bank has specific ideas on what spreads are appropriate. An ECB spokesman declined to comment. Investors have long wondered whether the central bank has specific levels in mind when it tries to cap bond yields. The latest insight into its strategy sheds light on how policy makers are navigating euro-area complexities that make publicly targeting bond levels difficult. Sovereign yields are key to fighting the pandemic crisis. Not only do they influence all other loan costs, but keeping government borrowing affordable has become a critical part of monetary policy as companies and workers rely on massive, debt-financed fiscal support. The ECB's strategy explains why the spread between Italian and German debt has stayed remarkably stable despite the Italian government nearing collapse, after the central bank raised the pace of bond buying with rates volatility at record lows.

Key Market Levels for the Day

	S3	S2	S1	R1	R2	R3
USDINR Spot	72.5500	72.7000	72.8500	73.1000	73.2500	73.4000



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Nirmal Bang Securities - Bullion Technical Market Update

Gold Market Update



Market View

Open	49077
High	49640
Low	48801
Close	49534
Value Change	551
% Change	1.12
Spread Near-Next	0
Volume (Lots)	13561
Open Interest	5559
Change in OI (%)	-17.52%

Gold - Outlook for the Day

Gold prices are likely to trade subdued for the day and we believe the prices are likely to trade ranged between 1850-1920 for the day. We may see some selling pressure around 1900-1920. We recommend sell on rise around 1900-1920 for targets of 1850-60.

BUY GOLD FEB (MCX) AT 49350 SL 49100 TARGET 49700/49750

SELL GOLD FEB (MCX) AT 49900 SL 50100 TARGET 49650/49550

Silver Market Update



Market View

Open	66371
High	67220
Low	65576
Close	66990
Value Change	954
% Change	1.44
Spread Near-Next	0
Volume (Lots)	23763
Open Interest	11837
Change in OI(%)	1.62%

Silver - Outlook for the Day

Silver prices are likely to trade range bound between 25.30-26.40 for the day. We may see some selling pressure on higher levels like 26.70-90.

BUY SILVER MARCH (MCX) AT 66600 SL 66000 TARGET 67500/67800.



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Nirmal Bang Securities - Currency Technical Market Update

USDINR Market Update



Market View

Open	73.23
High	73.2475
Low	73.03
Close	73.0775
Value Change	-0.1225
% Change	-0.17
Spread Near-Next	0.2894
Volume	1310587
Open Interest	2618281
Change in OI (%)	0.79%

USDINRR - Outlook for the Day

USDINR had a weak open at 73.23 followed by a strong bearish momentum testing the lows of 73.03 with closure near the same at 73.07. On the daily chart, the pair has formed a red candle with closure in lower lows and highs indicating weakness in the pair. USDINR still has given a close below all the important moving average on the daily chart supporting the negative bias. USDINR if opens below 73.03, it will continue with the bearish momentum towards 72.90 – 72.75 and one can go short. However, an open above 73.11 will lead the pair to test the highs of 73.25 – 73.30. The daily strength indicator RSI and momentum oscillator both now turned to weaker zone indicating negative bias in the pair.

Sell USDINR below 73.03 for the target of 72.85 with stoploss at 73.20

Key Market Levels for the Day

	S3	S2	S1	R1	R2	R3
USDINR January	72.6000	72.7500	72.9000	73.1100	73.2500	73.3300



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