



# India Bullion and Jewellers Association Ltd.

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Daily Bullion Physical Market Report

Date: 23<sup>rd</sup> September 2020

### Daily India Spot Market Rates

Description	Purity	AM	PM
Gold	999	50638	50683
Gold	995	50435	50480
Gold	916	46384	46426
Gold	750	37979	38012
Gold	585	29623	29650
Silver	999	59915	59959

\* Rates are exclusive of GST as of 22<sup>nd</sup> September 2020  
Gold in Rs/10 Gm & Silver in Rs/Kg

### Gold and Silver 999 Watch

Date	Gold*	Silver*
22 <sup>nd</sup> September 2020	50683	59959
21 <sup>st</sup> September 2020	51341	64141
18 <sup>th</sup> September 2020	51620	65905
17 <sup>th</sup> September 2020	51511	65218

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

### COMEX Futures Watch

Description	Contract	Close	Change	% Chg
Gold(\$/oz)	December	1907.60	-3.00	-0.16
Silver(\$/oz)	December	24.52	0.14	0.56

### Bullion Futures DGCX

Description	Contract	LTP
Gold (\$/oz)	28 September 2020	1898
Gold Quanto	23 September 2020	50401
Silver (\$/oz)	25 November 2020	24.52

### ETF Holdings as on Previous Close

ETF	In Tons	Net Change
SPDR Gold	1,278.23	-0.59
iShares Silver	17,277.71	66.58

### Gold and Silver Fix

Description	LTP
Gold London AM Fix(\$/oz)	1903.10
Gold London PM Fix(\$/oz)	1906.00
Silver London Fix(\$/oz)	24.30

### 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	77.79
Gold Crude Ratio	47.93

### Macro-Economic Indicators

Time	Country	Event	Forecast	Previous	Impact
23rd September 7:15PM	United States	Flash Manufacturing PMI	52.5	53.1	High
23rd September 7:15PM	United States	Flash Services PMI	54.5	55.0	Medium
23rd September 7:30PM	United States	Fed Chair Powell Testifies	-	--	High

### MCX Indices

Index	Close	Net Change	% Change
MCX iCOMDEX Bullion	15470.92	-27.22	-0.18%



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## Nirmal Bang Securities - Daily Bullion News and Summary

- Gold fell, heading for a second straight decline, as investors seeking haven assets turned to the dollar amid dimming prospects for U.S. economic stimulus and concerns over an increase in global virus cases. Federal Reserve Chair Jerome Powell said the U.S. economy has a long way to go before fully recovering from the coronavirus pandemic and will need further support. An increase in global virus cases has raised the possibility of more lockdowns. Gold, which rallied to a record last month on massive government stimulus programs and a weakening greenback, has slipped in September as traders await a new catalyst to push prices higher.
- Exchange-traded funds added 1.15 million troy ounces of gold to their holdings in the last trading session, bringing this year's net purchases to 28 million ounces, according to data compiled by Bloomberg. This was the biggest one-day increase since at least Sept. 23, 2019. Total gold held by ETFs rose 34 percent this year to 111 million ounces, the highest level since at least Sept. 23, 2019. State Street's SPDR Gold Shares, the biggest precious-metals ETF, boosted its holdings by 1.02 million ounces in the last session. ETFs cut 1.4 million troy ounces of silver from their holdings in the last trading session, bringing this year's net purchases to 266 million ounces. This was the third straight day of declines.
- Silver heavily underperformed gold on Monday, dropping 7.7% as gold slipped 2%. That underscores the risk of investing in this volatile metal and its smaller market. The cheaper metal has a high correlation to gold, but its beta is higher than gold's, and traders sometimes use it as an underlying play on the yellow metal. The ratio between the two soared above 120 during market volatility in March. Since then, the gap narrowed to about 80 as both metals rallied – silver soared as much as 156% from the March lows.
- Federal Reserve Chair Jerome Powell said the U.S. economy has a long way to go before fully recovering from the coronavirus pandemic and will need further support. "The path forward will depend on keeping the virus under control, and on policy actions taken at all levels of government," he told the House Financial Services Committee on Tuesday. While a recovery is underway, "both employment and overall economic activity, however, remain well below their pre-pandemic levels, and the path ahead continues to be highly uncertain."

**Fundamental Outlook:** Gold and silver closed at the lowest level since July as investors flocked to the dollar for a haven with prospects of U.S. economic stimulus dimming and virus cases on the rise. Our view for buy on dips continues to remain and we continue with our bullish outlook for medium to longer term.

### Key Market Levels for the Day

	Month	S3	S2	S1	R1	R2	R3
Gold – COMEX	December	1860	1877	1890	1930	1950	1965
Silver – COMEX	December	23.80	24.00	24.30	25.00	25.40	25.70
Gold – MCX	October	49800	50100	50400	50550	50750	51100
Silver - MCX	September	59400	60000	60800	61750	62500	63500



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### Nirmal Bang Securities - Daily Currency Market Update

#### Dollar index

LTP/Close	Change	% Change
93.99	0.33	0.35

#### Bond Yield

10 YR Bonds	LTP	Change
United States	0.6708	0.0049
Europe	-0.5060	0.0240
Japan	0.0150	0.0000
India	6.0120	-0.0040

#### Emerging Market Currency

Currency	LTP	Change
Brazil Real	5.4719	0.0572
South Korea Won	1165.05	7.0500
Russia Ruble	76.098	-0.033
Chinese Yuan	6.7799	-0.0254
Vietnam Dong	23185	16
Mexican Peso	21.6966	0.3521

#### NSE Currency Market Watch

Currency	LTP	Change
NDF	73.76	0.03
USDINR	73.4975	-0.085
JPYINR	70.35	-0.325
GBPINR	94.4425	-0.185
EURINR	86.4475	-0.295
USDJPY	104.5	0.32
GBPUSD	1.2846	-0.0015
EURUSD	1.1758	-0.0032

#### Market Summary and News

- The European Central Bank has launched a review of its pandemic bond-buying program to consider how long it should continue and whether its exceptional flexibility should be extended to older programs. The review is expected to be discussed by policy makers next month. The Pandemic Emergency Purchase Program was created in March initially at 750 billion euros (\$888 billion) and since expanded to 1.35 trillion euros to calm markets and support the economy as coronavirus lockdowns hit. It was exempted from the ECB's self-imposed rules that constrained the older asset-purchase program, which is still running. That allowed the PEPP to skew buying toward especially-stressed economies such as Italy. It has always been described as temporary though, linked directly to the current crisis. A move to extend its flexibility more widely would likely raise concerns among some policy makers, such as Bundesbank President Jens Weidmann. He's long warned about the risk of monetary financing of governments - which is banned under European Union law.
- On Brexit, GBP would be vulnerable if the next round of talks failed to bring an improvement in tone between the two sides. European Commission President Ursula von der Leyen said last week she's "convinced" a deal is possible. There's one last round of formal negotiations due to take place, starting Sept. 28. If there is no agreement by Oct. 15, the U.K. says it will be time to move on. Britain is at a "critical point" in the coronavirus pandemic. Prime Minister Boris Johnson will be told on Monday, as concern mounts that a second lockdown may be needed to stop the renewed spread of the disease which could hurt the GDP as much as 2%.
- India's sovereign bond traders will await a 240b rupee (\$3.3b) switch of shorter debt to longer ones by the government. The rupee market will also be on watch for more inflows for initial share sales by companies. Govt will be switching bonds maturing in 2021 and 2022 to 2031, 2033, 2033 floaters and 2060 debt. RBI may need to take further unconventional measures to keep bond yields in check, according to a State Bank of India note. An avalanche of state debt will hit the market as the states have only completed 30% of borrowing. One option for RBI to manage borrowing is to take state bond supply out of market; the central bank can think of investing in such papers by cajoling investors to buy the debt at a specific rate in bidding that could subsequently be bought by it.

#### Key Market Levels for the Day

	S3	S2	S1	R1	R2	R3
USDINR Spot	72.85	73.00	73.20	73.55	73.70	73.90



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### Nirmal Bang Securities - Bullion Technical Market Update

#### Gold Market Update



#### Market View

Open	50560
High	50686
Low	50129
Close	50381
Value Change	-90
% Change	-0.18
Spread Near-Next	161
Volume (Lots)	12782
Open Interest	7466
Change in OI (%)	-5.80%

#### Gold - Outlook for the Day

Comex Gold has seen a sharp fall and it seems that the fall is likely to continue after a pullback..It has upside resistance around \$1920-30 zone which can be used as a selling opportunity. Negative 9/21 MA shows that the weak momentum and can sell on higher levels for target \$1890-70.

**SELL GOLD OCT (MCX) AT 50700 SL 51100 TARGET 50200/50000.**

#### Silver Market Update



#### Market View

Open	61869
High	61990
Low	59570
Close	61213
Value Change	-103
% Change	-0.17
Spread Near-Next	2155
Volume (Lots)	39001
Open Interest	15575
Change in OI(%)	-1.32%

#### Silver - Outlook for the Day

In Comex Silver We are expecting prices to trade weak so recommend selling on rise around \$25.40-50. Negative 9/21 MA shows weak momentum sell silver on rise \$25.40-50 for target \$24.00.

**SELL SILVER DEC (MCX) AT 62500 SL 63700 TARGET 61300/61000.**





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### Nirmal Bang Securities - Currency Technical Market Update

#### USDINR Market Update



#### Market View

Open	73.51
High	73.6225
Low	73.3125
Close	73.5825
Value Change	0.105
% Change	0.14
Spread Near-Next	0.2275
Volume	1798966
Open Interest	1330678
Change in OI (%)	-5.28%

#### USDINRR - Outlook for the Day

USDINR had a flat open at 73.57 and witnessed a zig zag momentum for the entire session before closing on a weaker note at 73.43. On the daily chart, the pair has marked a red candle with an upper shadow indicating resistance and selling pressure in the pair. USDINR has marked the closure below the short term (09), medium term (21) and long term (50) moving average, thus supporting the bearish sentiment. The strength index RSI has turned negative whereas momentum oscillator Stochastic is still above their reference line thus indicating weakness to consolidation momentum in the pair. USDINR if in today's session moves above 73.55 it will test 73.70 - 73.85 levels on the higher side. However an open below 73.50 will lead the pair to bearish zone again towards the range of 73.35 - 73.10 for the session

**SELL USDINR below 73.38 for the target of 73.20-73.05 with stop loss at 73.55**

#### Key Market Levels for the Day

	S3	S2	S1	R1	R2	R3
USDINR September	73.0000	73.2000	73.4000	73.6500	73.8500	74.0000



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