



# India Bullion and Jewellers Association Ltd.

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Daily Bullion Physical Market Report

Date: 26<sup>th</sup> February 2021

### Daily India Spot Market Rates

Description	Purity	AM	PM
Gold	999	46637	46446
Gold	995	46450	46260
Gold	916	42719	42545
Gold	750	34978	34835
Gold	585	27283	27171
Silver	999	70179	70225

\* Rates are exclusive of GST as of 25<sup>th</sup> February 2021  
Gold in Rs/10 Gm & Silver in Rs/Kg

### Gold and Silver 999 Watch

Date	Gold*	Silver*
25 <sup>th</sup> February 2021	46446	70225
24 <sup>th</sup> February 2021	46838	69226
23 <sup>rd</sup> February 2021	46917	69730
22 <sup>nd</sup> February 2021	46649	69370

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

### COMEX Futures Watch

Description	Contract	Close	Change	% Chg
Gold(\$/oz)	April	1775.40	-22.50	-1.25
Silver(\$/oz)	March	27.69	-0.24	-0.87

### Bullion Futures DGCX

Description	Contract	LTP
Gold (\$/oz)	29 <sup>th</sup> March 2021	1773.9
Gold Quanto	24 <sup>th</sup> March 2021	46261
Silver (\$/oz)	25 <sup>th</sup> February 2021	27.65

### ETF Holdings as on Previous Close

ETF	In Tons	Net Change
SPDR Gold	1,100.24	-6.12
iShares Silver	19,214.37	-57.77

### Gold and Silver Fix

Description	LTP
Gold London AM Fix(\$/oz)	1792.10
Gold London PM Fix(\$/oz)	1779.65
Silver London Fix(\$/oz)	27.93

### Weekly CFTC Positions

	Long	Short	Net
Gold	1,53,346.00	47,495.00	1,05,851.00
Silver	63,248.00	23,557.00	39,691.00

### Gold Ratio

Gold Silver Ratio	64.13
Gold Crude Ratio	27.95

### Macro-Economic Indicators

Time	Country	Event	Forecast	Previous	Impact
26 <sup>th</sup> February 7:00PM	United States	Core PCE Price Index m/m	0.1%	0.3%	Low
26 <sup>th</sup> February 7:00PM	United States	Goods Trade Balance	-83.0B	-82.5B	Low
26 <sup>th</sup> February 7:00PM	United States	Personal Income m/m	9.4%	0.6%	Low
26 <sup>th</sup> February 7:00PM	United States	Personal Spending m/m	2.6%	-0.2%	Low
26 <sup>th</sup> February 7:00PM	United States	Prelim Wholesale Inventories m/m	0.3%	0.3%	Low
26 <sup>th</sup> February 8:15PM	United States	Chicago PMI	61.0	63.8	Low

### MCX Indices

Index	Close	Net Change	% Change
MCX iCOMDEX Bullion	14877.50	-75.59	-0.51%



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

- Gold extended declines, heading for a second straight monthly drop as surging bond yields hurt the metal's allure. Ten-year Treasury yields climbed to the highest in a year on Thursday, making gold less competitive because it doesn't offer interest. Holdings in exchange-traded funds backed by the metal registered an eighth consecutive daily outflow; a sign investment demand is flagging. Bullion is slumping this year as rates rise on bets that a brighter outlook for the global economy and higher inflation is just around the corner.
- After Federal Reserve Chair Jerome Powell spent two days telling U.S. lawmakers the economy is in no state to be thinking about monetary tightening, financial markets on Thursday suddenly started pricing in a rapid -- and perhaps too-hot -- recovery. The axis of tension is the new policy framework the Fed put in place last year. It dictates the central bank won't raise interest rates early on in the recovery and will intentionally overshoot its 2% inflation target -- maybe for years, while testing the limits of a hot jobs market.
- Yields on U.S. government debt blew past another set of closely watched levels, with a key part of the Treasury curve surging past an inflection point that's seen as potentially squelching global speculative euphoria. Yields took off with startling speed on Thursday, with the rate on 10-year Treasuries at one point reaching 1.61%, the highest in a year. In a telltale warning sign for some strategists, the 5-year Treasury yield soared convincingly above 0.75%, a crucial level that was expected to exacerbate selling, as traders pulled forward bets on when the Federal Reserve will start lifting policy rates.
- Exchange-traded funds cut 176,172 troy ounces of gold from their holdings in the last trading session, bringing this year's net sales to 2.02 million ounces, according to data compiled by Bloomberg. This was the eighth straight day of declines, the longest losing streak since Dec. 7. ETFs added 7.98 million troy ounces of silver to their holdings in the last trading session, bringing this year's net purchases to 76.3 million ounces.

**Fundamental Outlook:** Gold and silver prices are trading lower on international bourses, we expect precious metals prices on Indian bourses to trade lower for the day. We recommend sell on rise in intra-day after a surge in bond yields curbed the metal's appeal, even as some Federal Reserve officials stressed that the central bank has no plans to tighten policy prematurely.

#### Key Market Levels for the Day

	Month	S3	S2	S1	R1	R2	R3
Gold – COMEX	April	1700	1730	1750	1790	1830	1855
Silver – COMEX	March	26.70	27.00	27.40	27.90	28.40	28.75
Gold – MCX	April	45650	45900	46100	46400	46650	46850
Silver - MCX	March	67700	68400	69000	69600	70250	70800



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### Nirmal Bang Securities - Daily Currency Market Update

#### Dollar index

LTP/Close	Change	% Change
90.13	-0.04	-0.05

#### Bond Yield

10 YR Bonds	LTP	Change
United States	1.5199	0.1443
Europe	-0.2330	0.0720
Japan	0.1530	0.0270
India	6.1820	0.0360

#### Emerging Market Currency

Currency	LTP	Change
Brazil Real	5.5212	0.1053
South Korea Won	1108	-4.1500
Russia Ruble	74.7498	1.2198
Chinese Yuan	6.4549	-0.0022
Vietnam Dong	23022	-85
Mexican Peso	20.8525	0.475

#### NSE Currency Market Watch

Currency	LTP	Change
NDF	73.57	0
USDINR	72.725	0.09
JPYINR	68.5875	-0.0675
GBPINR	102.8575	0.3075
EURINR	88.9325	0.61
USDJPY	106.12	0.62
GBPUSD	1.4142	0.0024
EURUSD	1.2222	0.0063

#### Market Summary and News

- A strong correlation between the dollar and U.S. two-year inflation-adjusted yields indicates that the greenback may need a hawkish Federal Reserve to stage a sustained rally. The central bank's pledge to keep an accommodative policy till inflation stays above 2% has kept nominal two-year yields near a record low. That's even as inflation expectations soar, driving real yields to minus 2.2%. The dollar's rise and higher real yields look unlikely for now as Fed Chairman Jerome Powell said this week that inflation isn't expected to rise to troubling levels.
- Factors that have recently pushed inflation slightly higher in the euro-area are likely to fade, European Central Bank policy maker Pablo Hernandez de Cos says. "We are still very far from 2%. This increase in inflation is relatively transitory. Therefore, monetary policy will have to continue to be very accommodative in the coming years" he said during an online discussion. The European Central Bank's balance sheet has expanded more under 15 months of Christine Lagarde's presidency than it did during Mario Draghi's eight-year term. The institution's assets were up 2.42 trillion euros (\$2.94 trillion) at the end of last week from when Lagarde's leadership began in November 2019. Under Draghi, the balance sheet expanded by 2.35 trillion euros. While the former ECB president's bond-buying program significantly swelled assets in recent years, Lagarde's pandemic stimulus to fight the biggest peacetime recession in a century has pushed the total balance above 7 trillion euros.
- Money markets are no longer betting on a Bank of England interest-rate cut, as a surge in bond yields worldwide sharpens investors' focus on a global economic recovery. Market is now see no policy rate changes for the next year. That's a sharp turnaround from September, when traders were contemplating rates as low as minus 0.1% for this year, after the Bank of England said it was studying the feasibility of such a move. The trigger for the u-turn came from this month's BOE meeting, where policy makers stressed that negative rates are not imminent, even as the highly-anticipated study encouraged banks to prepare for such a scenario. Market has further scaled back expectations amid central bank's optimism over a powerful economic rebound due to the U.K.'s vaccination efforts, and as yields on Treasuries to German bunds and gilts climbed to pre-pandemic levels.
- The Reserve Bank of India's move allowing lenders to deploy more dollars abroad led to a sharp drop in rupee forward premiums from a four-year high, making hedging cheaper. The dollar-rupee annualized forward premium rates crashed across the curve, after the RBI on late Wednesday lifted the ceilings on local banks' exposures to other countries and central banks. The rupee also dropped. Banks have limits on dollars they can park in their nostro accounts overseas. The rules required them to convert the excess greenbacks into rupees, which led to lenders paying in forwards, pushing up the price of future dollars in the domestic market. Now, they can invest these dollars in U.S. Treasury bonds, preventing a glut of dollars in the domestic market.

#### Key Market Levels for the Day

	S3	S2	S1	R1	R2	R3
USDINR Spot	72.3000	72.4500	72.6000	72.9000	73.0500	73.2500



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## Nirmal Bang Securities - Bullion Technical Market Update

### Gold Market Update



#### Market View

Open	46443
High	46655
Low	46060
Close	46241
Value Change	-281
% Change	-0.6
Spread Near-Next	837
Volume (Lots)	13829
Open Interest	13253
Change in OI (%)	1.02%

### Gold - Outlook for the Day

Gold prices has been under pressure yesterday as we seen a sharp fall it seems that the prices are likely to resist at higher levels around 1800-10 zone. At the same time the immediate support is 1760-70 where the commodity can take halt and bounce try to trade between 1760-1800 for the day.

**SELL GOLD APRIL (MCX) AT 46500 SL 46750 TARGET 46100/45900**

### Silver Market Update



#### Market View

Open	70126
High	70537
Low	69074
Close	69276
Value Change	-267
% Change	-0.38
Spread Near-Next	0
Volume (Lots)	23005
Open Interest	6147
Change in OI (%)	-29.98%

### Silver - Outlook for the Day

Silver prices for the day we are recommending to trade between 28.00-26.70 zone. After a sharp fall it seems that the commodity can take a pullback till 28.00 should be used as selling opportunity for the target of 26.60

**SELL SILVER MARCH (MCX) AT 69800 SL 70600 TARGET 68700/68400**



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### Nirmal Bang Securities - Currency Technical Market Update

#### USDINR Market Update



#### Market View

Open	72.6275
High	72.81
Low	72.57
Close	72.725
Value Change	0.09
% Change	0.12
Spread Near-Next	-0.4327
Volume	1991564
Open Interest	2363257
Change in OI (%)	3.58%

#### USDINRR - Outlook for the Day

USDINR had a gap up at 72.62 continued with the positive momentum to mark the day's high at 72.81 with closure in green at 72.72. On the daily chart, the pair has formed a small green candle with closure in higher highs and lows indicating positive bias in the pair. USDINR has given closure momentarily above the short term moving average and has continued to show resistance at the medium and long term moving average. USDINR if opens below 72.68, it will continue with the bearish momentum towards 72.50 – 72.30 and one can go short. However, a move above 72.85 will lead the pair to test the highs of 73 – 73.15. The daily strength indicator RSI and momentum oscillator both are still below the reference line indicating weakness in the pair.

**Buy USDINR above 72.75 for the target of 72.90 – 73.10 with stoploss at 72.60**

#### Key Market Levels for the Day

	S3	S2	S1	R1	R2	R3
USDINR March	72.3000	72.4500	72.6000	72.8000	72.9500	73.1000



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