



# India Bullion and Jewellers Association Ltd.

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Daily Bullion Physical Market Report

Date: 28<sup>th</sup> October 2020

### Daily India Spot Market Rates

Description	Purity	AM	PM
Gold	999	51277	51043
Gold	995	51072	50839
Gold	916	46970	46755
Gold	750	38458	38282
Gold	585	29997	29860
Silver	999	62226	61991

\* Rates are exclusive of GST as of 27<sup>th</sup> October 2020  
Gold in Rs/10 Gm & Silver in Rs/Kg

### Gold and Silver 999 Watch

Date	Gold*	Silver*
27 <sup>th</sup> October 2020	51043	61991
26 <sup>th</sup> October 2020	51238	61706
23 <sup>rd</sup> October 2020	51223	62545
22 <sup>nd</sup> October 2020	51350	62779

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

### COMEX Futures Watch

Description	Contract	Close	Change	% Chg
Gold(\$/oz)	December	1911.90	6.20	0.33
Silver(\$/oz)	December	24.57	0.15	0.61

### Bullion Futures DGCX

Description	Contract	LTP
Gold (\$/oz)	25 November 2020	1909
Gold Quanto	25 November 2020	50981
Silver (\$/oz)	25 November 2020	24.52

### ETF Holdings as on Previous Close

ETF	In Tons	Net Change
SPDR Gold	1,266.92	2.92
iShares Silver	17,368.29	-86.80

### Gold and Silver Fix

Description	LTP
Gold London AM Fix(\$/oz)	1898.90
Gold London PM Fix(\$/oz)	1905.70
Silver London Fix(\$/oz)	24.44

### Weekly CFTC Positions

	Long	Short	Net
Gold	1,73,108.00	53,285.00	1,19,823.00
Silver	60,324.00	25,852.00	34,472.00

### Gold Ratio

Gold Silver Ratio	77.81
Gold Crude Ratio	48.32

### Macro-Economic Indicators

Time	Country	Event	Forecast	Previous	Impact
28 <sup>th</sup> October 6:00PM	United States	Goods Trade Balance	-84.8B	-82.9B	Low
28 <sup>th</sup> October 6:00PM	United States	Prelim Wholesale Inventories m/m	0.4%	0.4%	Low

### MCX Indices

Index	Close	Net Change	% Change
MCX iCOMDEX Bullion	15602.71	28.95	0.19



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

- Gold traded little changed near \$1,900 an ounce for a third day, with traders staying on the sidelines ahead of the U.S. presidential election next week. Investors also assessed news of a seven-week halt to a U.S. trial of the Covid vaccine developed by AstraZeneca Plc and the University of Oxford, along with tighter lockdown restrictions in Europe. Germany is now considering closing restaurants to control the spread of coronavirus. Bullion has been steady this month, moving largely on prospects for fresh fiscal stimulus from the U.S. Those hopes have been put on hold after senators departed the Capitol for a pre-election break. Metal futures traded in the narrowest range since June.
- China's September exports of gold to Hong Kong were 5,533.7 kilograms, according to data from city's Census and Statistics Department obtained by email. Excluding gold coins and gold scrap, China's imports were 16,140 kilograms and exports were 5,027 kilograms. Net imports by mainland China from Hong Kong were 10,997.8 kilograms, according to Bloomberg calculations.
- Exchange-traded funds added 112,447 troy ounces of gold to their holdings in the last trading session, bringing this year's net purchases to 28.1 million ounces, according to data compiled by Bloomberg. The purchases were equivalent to \$213.9 million at yesterday's spot price. ETFs cut 593,079 troy ounces of silver from their holdings in the last trading session, bringing this year's net purchases to 281.3 million ounces.
- The Bank of England is nearing the limits of how much more quantitative easing it can do, making a move to negative interest rates more likely than markets currently expect. The central bank could hit capacity constraints on asset purchases long before reaching its self imposed limits, the strategists wrote. The impact of QE is also fading, and further bond buying could be counterproductive. Since the start of the crisis, BOE policy makers have raised their asset purchase target to 745 billion pounds (\$970 billion) and some have indicated that they may vote to increase it further as soon as next month to help support the U.K.'s flagging recovery.
- The dollar will probably soar on a flight to safety if Trump pulls off what seems unlikely, as he did last time. That's an outright negative for the precious metals, which could fall with stocks. But that's just the immediate reaction. As markets become more turbulent, and fiscal stimulus remains absent, the Fed could step in to act with more unconventional policy. That could take the form of rates below zero, or yield curve control. No matter the form, that fuels the narrative of a world in crisis, which means money flows to gold. A record high could come into play by Chinese New Year.

**Fundamental Outlook:** Gold and silver prices are trading in a narrow range as the dollar ticked higher, with investors awaiting next week's U.S. presidential election and weighing the odds for more stimulus to cushion the impact of rising Covid-19 cases on economies in many parts of the world. Buy on dips in intra-day trading is advisable.

#### Key Market Levels for the Day

	Month	S3	S2	S1	R1	R2	R3
Gold – COMEX	December	1855	1870	1890	1930	1945	1968
Silver – COMEX	December	23.50	23.70	24.00	25.00	25.65	25.90
Gold – MCX	December	50500	50700	50850	51100	51250	51400
Silver - MCX	December	60800	61400	62000	62600	63000	63600



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### Nirmal Bang Securities - Daily Currency Market Update

#### Dollar index

LTP/Close	Change	% Change
92.94	-0.11	-0.11

#### Bond Yield

10 YR Bonds	LTP	Change
United States	0.7676	-0.0334
Europe	-0.6160	-0.0360
Japan	0.0310	-0.0040
India	5.8480	0.0120

#### Emerging Market Currency

Currency	LTP	Change
Brazil Real	5.7062	0.0815
South Korea Won	1125.45	-2.4000
Russia Ruble	77.2906	0.8471
Chinese Yuan	6.7055	-0.0067
Vietnam Dong	23177	11
Mexican Peso	21.0129	0.0783

#### NSE Currency Market Watch

Currency	LTP	Change
NDF	74.02	-0.05
USDINR	73.87	-0.315
JPYINR	70.5575	-0.13
GBPINR	96.2475	-0.56
EURINR	87.29	-0.3575
USDJPY	104.68	-0.14
GBPUSD	1.303	-0.0027
EURUSD	1.1817	-0.0026

#### Market Summary and News

- The Indian economy is recovering from a collapse in activity as lockdown measures instituted to fight the Covid-19 pandemic are rolled back. Data for the week ended Oct. 25 show the demand side continuing a gradual and steady recovery, while the supply side experiences uneven momentum in activity fluctuating above pre-virus levels. The number of active cases of Covid-19 dropped in the week ended Oct. 25 for a fifth week in a row as recoveries continued to exceed new infections. Success in bringing down active virus cases should allow the government to further ease lockdown measures in the months ahead.
- Supply side indicators show activity is holding above pre-virus levels but with increased volatility. Growth in power demand jumped to 11.5% year on year, after slowing to 4.2% in the previous week. The unemployment rate rose, but the employment rate also climbed, suggesting increased labor participation. On the demand side, indicators continued to show a gradual recovery, with activity closing the gap with pre-lockdown levels. The uneven recovery momentum on the supply side likely signals challenges in inventory management on account of the uncertain demand outlook. It's unclear whether demand can sustain a recovery beyond the ongoing festive season. The recovery could reflect either a revival in employment and income levels or just pent-up and festive demand supported by past savings which could dissipate in the months ahead.
- The yen climbed along with U.S Treasuries as investors sought havens ahead of next week's U.S. elections and amid concerns about the impact of rising coronavirus infections. The Norwegian krone and the New Zealand dollar rose in tandem with higher oil prices. The greenback was broadly lower against all its peers. The Bloomberg Dollar Spot Index fell 0.3% as interest from leveraged community on new spot positions remains on the low side, while demand for volatility into the vote picks up, according to traders. The Bank of Japan is set to keep policy unchanged while pressing ahead with support measures to help companies pull through the pandemic. It may bump up its GDP forecast and lower its inflation projection for the current fiscal year in its latest outlook report. A slew of data from Japan will likely show the economy is still not out of the woods. We expect the job market to slacken and Tokyo core inflation to remain negative. Industrial output may have accelerated in September, but the pace should slow in 4Q.
- More than 50 of Boris Johnson's own Conservative members of Parliament have demanded a clear route out of lockdown for parts of northern Britain that helped give his party a majority in last year's election. In a letter to the prime minister, the MPs warned that his pandemic strategy of targeting local areas with restrictions was disproportionately damaging the economies of northern regions of the country and deepening the divide between the north and the wealthier south. The MPs reminded Johnson of his promises to "level up" disadvantaged parts of the country, which helped persuade voters in former industrial heartlands last December to back his Tories instead of the opposition Labour Party many had supported for decades.

#### Key Market Levels for the Day

	S3	S2	S1	R1	R2	R3
USDINR Spot	73.4000	73.6000	73.8000	74.0000	74.1500	74.3500



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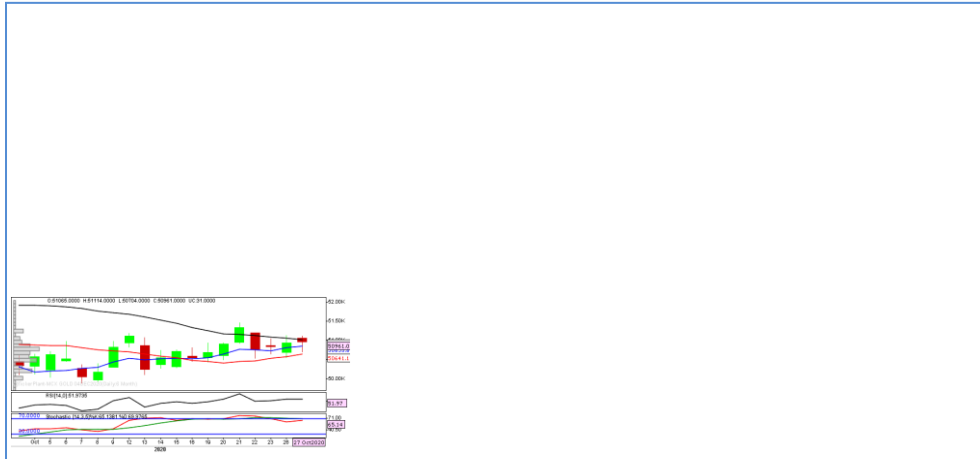
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### Nirmal Bang Securities - Bullion Technical Market Update

#### Gold Market Update



#### Market View

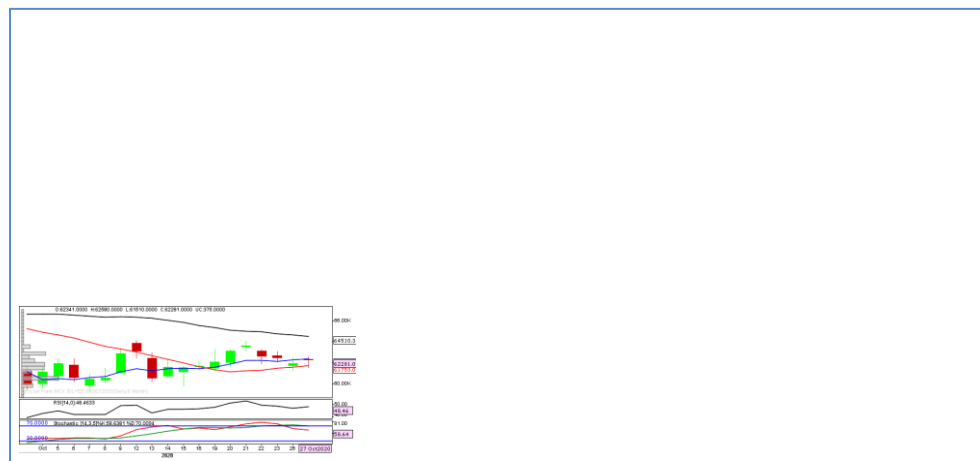
Open	51065
High	51114
Low	50704
Close	50961
Value Change	31
% Change	0.06
Spread Near-Next	95
Volume (Lots)	11064
Open Interest	13235
Change in OI (%)	-1.09%

#### Gold - Outlook for the Day

Gold prices are likely to trade positive for the day as long as holding above \$1880 seems to be more positive for the prices can test \$1950-60. Positive crossover in 9/21 MA goes supportive for the decision to buy on dips around 1900-1890 can test 1950.

**BUY GOLD DEC (MCX) AT 50850 SL 50600 TARGET 51100/51250.**

#### Silver Market Update



#### Market View

Open	62341
High	62580
Low	61510
Close	62281
Value Change	375
% Change	0.61
Spread Near-Next	1626
Volume (Lots)	20830
Open Interest	14532
Change in OI(%)	-2.81%

#### Silver - Outlook for the Day

Comex silver is likely to trade positive for target 25.00-25.30. Positive 9/21 MA shows strength momentum buy silver on dips \$24.00-23.70 for target 25.00-25.30.

**BUY SILVER DEC (MCX) AT 62000 SL 61400 TARGET 62700/63000.**



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### Nirmal Bang Securities - Currency Technical Market Update

#### USDINR Market Update



Market View	
Open	73.94
High	74.21
Low	73.88
Close	74.185
Value Change	0.345
% Change	0.47
Spread Near-Next	0
Volume	1105484
Open Interest	1013285
Change in OI (%)	32.59%

#### USDINRR - Outlook for the Day

USDINR had a weak open at 74.08 and continued the bearish momentum to mark the day's low at 73.85 with closure in red as well at 73.87. On the daily chart, the pair has formed a red candle with closure in lower lows and highs indicating profit taking action in the pair. USDINR has below the short term moving and medium term moving averages with resistance at long term moving averages. USDINR if opens on a positive note or trades above 73.95, the bullish momentum will continue towards 74.15 – 74.30. However, an open below 73.88 will lead the pair to witness profit taking towards 73.75 – 73.60. The daily strength indicator RSI from the highs and momentum oscillator Stochastic are starting to turnaround from the positive zone indicating early signs of reversal.

**Sell USDINR below 73.78 for the target of 73.60 – 73.45 with the stoploss at 73.95**

Key Market Levels for the Day						
	S3	S2	S1	R1	R2	R3
USDINR November	73.5500	73.7000	73.8500	74.1000	74.2500	74.4000



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## Nirmal Bang Securities – Commodity 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>
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**