



# India Bullion and Jewellers Association Ltd.

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### Daily Bullion Physical Market Report

Date: 7<sup>th</sup> January 2021

#### Daily India Spot Market Rates

Description	Purity	AM	PM
Gold	999	51532	51660
Gold	995	51326	51453
Gold	916	47203	47321
Gold	750	38649	38745
Gold	585	30146	30221
Silver	999	69231	70228

\* Rates are exclusive of GST as of 6<sup>th</sup> January 2021  
Gold in Rs/10 Gm & Silver in Rs/Kg

#### Gold and Silver 999 Watch

Date	Gold*	Silver*
6 <sup>th</sup> January 2021	51660	70228
5 <sup>th</sup> January 2021	51652	69506
4 <sup>th</sup> January 2021	51192	69002
1 <sup>st</sup> January 2021	50298	66963

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

#### COMEX Futures Watch

Description	Contract	Close	Change	% Chg
Gold(\$/oz)	February	1908.60	-45.80	-2.34
Silver(\$/oz)	March	27.04	-0.60	-2.16

#### Bullion Futures DGCX

Description	Contract	LTP
Gold (\$/oz)	27 <sup>th</sup> January 2021	1918.8
Gold Quanto	27 <sup>th</sup> January 2021	50529
Silver (\$/oz)	25 <sup>th</sup> February 2021	27.32

#### ETF Holdings as on Previous Close

ETF	In Tons	Net Change
SPDR Gold	1,186.78	0.00
iShares Silver	17,495.69	-11.56

#### Gold and Silver Fix

Description	LTP
Gold London AM Fix(\$/oz)	1957.20
Gold London PM Fix(\$/oz)	1931.95
Silver London Fix(\$/oz)	27.53

#### Weekly CFTC Positions

	Long	Short	Net
Gold	1,87,038.00	49,841.00	1,37,197.00
Silver	72,763.00	24,083.00	48,680.00

#### Gold Ratio

Gold Silver Ratio	70.58
Gold Crude Ratio	37.70

#### Macro-Economic Indicators

Time	Country	Event	Forecast	Previous	Impact
07 <sup>th</sup> January 6:00PM	United States	Challenger Job Cuts y/y	-	45.4%	Low
07 <sup>th</sup> January 7:00PM	United States	Unemployment Claims	798K	787K	Medium
07 <sup>th</sup> January 7:00PM	United States	Trade Balance	-66.7B	-63.1B	Low
07 <sup>th</sup> January 8:30PM	United States	ISM Services PMI	54.5	55.9	Medium

#### MCX Indices

Index	Close	Net Change	% Change
MCX iCOMDEX Bullion	16189.70	-366.86	-2.27%



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

- Gold was set to snap its longest rally since July as gains in equities and U.S. Treasury yields reduced demand for the non-interest-bearing metal. Banks and energy producers led gains in the S&P 500 after Democrats looked poised to take control of Congress, potentially unleashing a torrent of federal spending to revive growth. U.S. Treasury yields broke above 1% for the first time since the pandemic-driven turmoil in March, and the dollar erased losses. Bullion had advanced this week amid lower U.S. real yields and a weaker dollar, but failed to breach an early November high, a key technical level. Investors may have decided to take profits in the thin market after the dollar strengthened. The Democrats have already captured one of the two Georgia seats as Raphael Warnock defeated Republican Senator Kelly Loeffler, according to the Associated Press. Democrat Jon Ossoff has also claimed victory over his Republican counterpart, though that race remains too close to call.
- The Perth Mint's sales of gold coins and minted bars about doubled in 2020 on strong demand, according to figures on its website. Sales totaled 778,797 oz last year from 389,463 oz in 2019, according to Bloomberg calculations. Gold coin and minted bar sales were 76,806 oz in Dec., a drop from 84,158 oz in Nov. Silver sales were 941,767 oz in Dec. vs 1.12m oz in Nov.
- Exchange-traded funds added 56,320 troy ounces of gold to their holdings in the last trading session, bringing this year's net purchases to 624,327 ounces, according to data compiled by Bloomberg. This was the 10th straight day of growth, the longest winning streak since Sept. 10. State Street's SPDR Gold Shares, the biggest precious-metals ETF, pared its holdings by 37,513 ounces in the last session. ETFs also added 553,096 troy ounces of silver to their holdings in the last trading session, bringing this year's net purchases to 2.02 million ounces.
- Bank of England Governor Andrew Bailey risked reigniting the politically charged debate over Brexit by predicting that the trade deal struck with the European Union could end up costing the U.K. economy the equivalent of more than 80 billion pounds (\$109 billion). In his first public comments since Britain completed its withdrawal from the bloc on Dec. 31, Bailey endorsed warnings from the Office for Budget Responsibility, the fiscal watchdog, that gross domestic product will be as much as 4% lower in the long term than it would be had the country remained in the EU. The remarks are likely to anger Brexit supporters, who hailed Prime Minister Boris Johnson's last-gasp deal as a triumph that lays the foundations for a robust recovery from the coronavirus. But critics say the agreement will burden business with red tape and leaves the nation's enormous services sector, including banks, at a significant disadvantage.

**Fundamental Outlook:** Gold and silver prices are expected to continue to trade positive for the day and we also continue to recommend buying at the dips. Gold steadied after posting the biggest loss in almost a month as rising Treasury yields damped demand for the haven asset, even as investors tracked scenes of chaos in Washington as pro-Donald Trump protesters stormed the U.S. Capitol.

#### Key Market Levels for the Day

	Month	S3	S2	S1	R1	R2	R3
Gold – COMEX	February	1830	1860	1890	1930	1960	2000
Silver – COMEX	March	26.40	26.70	27.00	27.55	27.80	28.30
Gold – MCX	February	50100	50400	50700	50950	51200	51450
Silver - MCX	March	67700	68400	69000	69800	70400	71000



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### Nirmal Bang Securities - Daily Currency Market Update

#### Dollar index

LTP/Close	Change	% Change
89.53	0.09	0.11

#### Bond Yield

10 YR Bonds	LTP	Change
United States	1.0355	0.0806
Europe	-0.5230	0.0550
Japan	0.0210	0.0100
India	5.8530	0.0300

#### Emerging Market Currency

Currency	LTP	Change
Brazil Real	5.3006	0.024
South Korea Won	1085.7	-1.9000
Russia Ruble	73.9273	-0.0964
Chinese Yuan	6.4629	0.0068
Vietnam Dong	23093	13
Mexican Peso	19.6496	-0.2462

#### NSE Currency Market Watch

Currency	LTP	Change
NDF	73.37	0.02
USDINR	73.24	-0.1525
JPYINR	71.1825	-0.135
GBPINR	99.975	0.22
EURINR	90.3325	0.23
USDJPY	102.98	0.21
GBPUSD	1.3655	0.0057
EURUSD	1.2336	0.0047

#### Market Summary and News

- The Indian rupee declined by the most in seven weeks amid concerns of a wider trade deficit in the coming months. India's trade deficit increased by 26% to \$15.7b in Dec. from a year earlier after imports climbed about 7% and exports fell less than 1%, the government said Saturday. It's mainly the worries about a wider trade deficit that's weighing on the rupee. The concern is as the economy normalizes from the impact of Covid, there would be a higher demand for dollars to finance imports. Foreign inflows may also slow going forward amid some nervousness in equities. Back-to-back open-market bond operations by the RBI are giving confidence to the market that the central bank won't let yields go above 6. Inflation is also likely to trend lower and along with ample banking system liquidity surplus, this is also supporting sentiment. System liquidity surplus is likely to remain elevated around the current range while liquidity conditions will continue to be supported by RBI's FX intervention on the back of positive risk sentiments.
- The pound's Brexit deal honeymoon looks well and truly over, with the currency off to the worst start to the year among its Group-of-10 peers. The last-minute Brexit deal swept away investors' worst fears of a messy divorce and put an end to years of political wrangling, leading the pound to jump about 2% into the end of 2020. But rather than pave the way for further gains, the resolution has brought to the foreground a host of concerns that risk undermining sterling. With sterling having failed to rally materially on the back of the Brexit deal versus the euro it might now be inclined to underperform. This week, Prime Minister Boris Johnson sent England into a third lockdown, dealing a fresh blow to an economy already forecast to stutter along well below potential. For the longer term, speculation is growing that Scotland, which voted to remain in the bloc in 2016, could seek to leave the U.K., ushering in a new chapter of political turbulence.
- The Federal Reserve has committed to beefing up its asset purchases until substantial further progress is made on the economic rebound. But Fed officials this week are sending mixed messages on whether or not the next move will be ramping up or winding down its quantitative easing program. Chicago Fed President Charles Evans said Monday that the central bank will likely maintain its \$120-billion-a-month pace of buying mortgage-backed securities and U.S. Treasuries for a while. Since the beginning of the crisis, the Fed has relied heavily on its asset purchases to handle the COVID-19 crisis, first to alleviate turmoil in financial markets and later to actively stimulate an economy in recovery.
- A month long state of emergency planned by the Japanese government to contain a resurgence of novel coronavirus infection in Japan is expected to knock trillions of yen off private consumption thus endangering the economy. The new restrictions will likely push the Japan's economy to return to contraction with even posting the percentage of the GDP shrinkage in the current quarter if the restriction is extended. The economic impact of a state of emergency in Tokyo and three neighboring prefectures, which the government of Prime Minister Yoshihide Suga is considering declaring on Thursday, will likely be smaller than those seen after the first emergency declaration in April last year in Tokyo and six prefectures. Expected restrictions this time, though not legally binding and limited in geographical reach, could still wipe out a significant part, if not all, of the growth previously expected in the January to March quarter. An economic slowdown in the capital could have a ripple effect, and there is even a possibility that the planned state of emergency will be expanded.

#### Key Market Levels for the Day

	S3	S2	S1	R1	R2	R3
USDINR Spot	72.7000	72.8500	73.0000	73.2500	73.4000	73.5500



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### Nirmal Bang Securities - Bullion Technical Market Update

#### Gold Market Update



#### Market View

Open	51555
High	51875
Low	50401
Close	50509
Value Change	-1211
% Change	-2.34
Spread Near-Next	0
Volume (Lots)	19218
Open Interest	8948
Change in OI (%)	-13.58%

#### Gold - Outlook for the Day

Gold prices are likely to trade ranged between \$1900 to 1950 for the day. After a long sell off we are expecting prices to trade ranged between 1880-1950 zones in the short run. Try to buy around 1890-1900 for target 1930-45.

**SELL GOLD FEB (MCX) AT 50950 SL 51200 TARGET 50550/50400**

**BUY GOLD FEB (MCX) AT 50100 SL 49900 TARGET 50450/50550**

#### Silver Market Update



#### Market View

Open	62600
High	63170
Low	62300
Close	62471
Value Change	-211
% Change	-0.34
Spread Near-Next	6946
Volume (Lots)	114
Open Interest	451
Change in OI(%)	0.00%

#### Silver - Outlook for the Day

Silver are likely to take strong resistance around 27.60-70 area and will be trading range bound bet 26.70-27.60 Try to buy around 27.00-26.90 for the target of 27.50-27.70.

**BUY SILVER MARCH (MCX) AT 68600 SL 67700 TARGET 69600/70100.**

**SELL SILVER MARCH (MCX) AT 70100 SL 71000 TARGET 69000/68700**





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### Nirmal Bang Securities - Currency Technical Market Update

#### USDINR Market Update



#### Market View

Open	73.385
High	73.3875
Low	73.22
Close	73.24
Value Change	-0.1525
% Change	-0.21
Spread Near-Next	0.1269
Volume	1479989
Open Interest	2791697
Change in OI (%)	1.18%

#### USDINRR - Outlook for the Day

USDINR had a flat open at 73.38 followed by a profit taking session leading to a closure in red at 73.24. On the daily chart, the pair has formed a red candle with a sideways closure. USDINR has given a closed below all important moving averages and is facing quite a strong resistance at the short term moving average. USDINR if opens below 73.25, it will witness bearish momentum towards 73.10 – 72.90 and one can go short. However, an open above 73.33 will lead the pair to test the highs of 73.50 – 73.63. The daily strength indicator RSI and momentum oscillator Stochastic have both turned around from negative zone area indicating short term reversal in the pair.

**Buy USDINR above 73.33 for the target of 73.50 – 73.65 with stoploss at 73.20**

#### Key Market Levels for the Day

	S3	S2	S1	R1	R2	R3
USDINR January	72.7500	72.9000	73.0800	73.5000	73.6500	73.8000



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