



India Bullion and Jewellers Association Ltd.

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Daily Bullion Physical Market Report

Date: 8th January 2021

Daily India Spot Market Rates

| Description | Purity | AM | PM |
|-------------|--------|-------|-------|
| Gold | 999 | 51011 | 51049 |
| Gold | 995 | 50807 | 50845 |
| Gold | 916 | 46726 | 46761 |
| Gold | 750 | 38258 | 38287 |
| Gold | 585 | 29841 | 29864 |
| Silver | 999 | 68698 | 68592 |

* Rates are exclusive of GST as of 7th January 2021
Gold in Rs/10 Gm & Silver in Rs/Kg

Gold and Silver 999 Watch

| Date | Gold* | Silver* |
|------------------------------|-------|---------|
| 7 th January 2021 | 51049 | 68592 |
| 6 th January 2021 | 51660 | 70228 |
| 5 th January 2021 | 51652 | 69506 |
| 4 th January 2021 | 51192 | 69002 |

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

COMEX Futures Watch

| Description | Contract | Close | Change | % Chg |
|---------------|----------|---------|--------|-------|
| Gold(\$/oz) | February | 1913.60 | 5.00 | 0.26 |
| Silver(\$/oz) | March | 27.26 | 0.22 | 0.81 |

Bullion Futures DGCX

| Description | Contract | LTP |
|----------------|--------------------------------|--------|
| Gold (\$/oz) | 27 th January 2021 | 1917.9 |
| Gold Quanto | 27 th January 2021 | 50924 |
| Silver (\$/oz) | 25 th February 2021 | 27.30 |

ETF Holdings as on Previous Close

| ETF | In Tons | Net Change |
|----------------|-----------|------------|
| SPDR Gold | 1,182.11 | -4.67 |
| iShares Silver | 17,495.69 | 0.00 |

Gold and Silver Fix

| Description | LTP |
|---------------------------|---------|
| Gold London AM Fix(\$/oz) | 1911.05 |
| Gold London PM Fix(\$/oz) | 1920.10 |
| Silver London Fix(\$/oz) | 27.13 |

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 | 70.20 |
| Gold Crude Ratio | 37.65 |

Macro-Economic Indicators

| Time | Country | Event | Forecast | Previous | Impact |
|---------------------------------|---------------|---------------------------------|----------|----------|--------|
| 08 th January 7:00PM | United States | Average Hourly Earnings m/m | 0.2% | 0.3% | High |
| 08 th January 7:00PM | United States | Non-Farm Employment Change | 68K | 245K | High |
| 08 th January 7:00PM | United States | Unemployment Rate | 6.8% | 6.7% | High |
| 08 th January 8:30PM | United States | Final Wholesale Inventories m/m | -0.1% | -0.1% | Low |

MCX Indices

| Index | Close | Net Change | % Change |
|---------------------|----------|------------|----------|
| MCX iCOMDEX Bullion | 15822.84 | 123.86 | 0.78% |



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Nirmal Bang Securities - Daily Bullion News and Summary

- Gold steadied after posting the biggest loss in almost a month as investors weighed rising Treasury yields and tracked events in Washington. Joe Biden was formally recognized by Congress as the next U.S. president, after the proceedings were earlier suspended when pro-Donald Trump protesters stormed the U.S. Capitol. A curfew was ordered in Washington after a day of violence that resulted in a woman being fatally shot. Bullion sank on Wednesday after Democrats won two key Georgia Senate runoffs, paving the way for a unified government and boosting the odds of a torrent of spending. The 10-year Treasury yield at one point surged to more than 1.05%, weighing on the non-interest bearing bullion. Still, rising inflation expectations moderated the impact on gold.
- Holdings in exchange-traded funds backed by gold rose for an eleventh day Thursday in the longest run in almost four months, easing concern that investor demand for the metal may be starting to fade. Gold ETF assets climbed to 3,341.1 metric tons on Wednesday, the highest since late November. Holdings in bullion-backed ETFs hit an all-time high of nearly 3,460 tons in October. ETFs, a crucial support pillar for bullion's surge to a record in August, fell in the final two months of 2020 amid an impasse over a U.S. stimulus package and the rollout of coronavirus vaccines. While gold has been under pressure the past two days from rising bond yields, the rebound in ETF holdings may signal investors are confident the metal's rally is still on track, with prospects for further virus aid and continued economic uncertainty providing support.
- Official global gold reserves held by central banks declined by 6.5 tons in the month, according to figures released by the World Gold Council on Thursday. Total global bullion reserves were 35,191 tons as of Nov. 2020. Turkey's central bank accounted for the majority of sales, offloading 20.9 tons. Indian, Qatari and Uzbek central banks all added gold in November.
- The Bank of England will combat a double-dip recession by increasing the size of its quantitative easing program to almost 1 trillion pounds (\$1.4 trillion), according to Goldman Sachs Group Inc. Goldman, who has been among the most optimistic forecasters for the U.K. economy in recent months, now expects England's third Covid-19 lockdown to prompt a 1.5% contraction in the first quarter of 2021. That outcome, it says, could get worse given the unpredictability of a new strain of the virus that has taken hold in the nation.

Fundamental Outlook: Gold and silver prices have already corrected in last 3-4 trading sessions. The market participants and investors will watch out for today's Friday's jobs report, which is forecast to show a sharp slowdown in hiring. Also investors will focus on the prospect for more stimulus.

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 | 50400 | 50700 | 50900 | 51000 | 51150 | 51380 |
| Silver - MCX | March | 68500 | 69200 | 69800 | 70350 | 71000 | 71600 |



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Nirmal Bang Securities - Daily Currency Market Update

Dollar index

| LTP/Close | Change | % Change |
|-----------|--------|----------|
| 89.83 | 0.30 | 0.33 |

Bond Yield

| 10 YR Bonds | LTP | Change |
|---------------|---------|---------|
| United States | 1.0795 | 0.0440 |
| Europe | -0.5250 | -0.0020 |
| Japan | 0.0390 | 0.0180 |
| India | 5.8570 | 0.0040 |

Emerging Market Currency

| Currency | LTP | Change |
|-----------------|---------|---------|
| Brazil Real | 5.4009 | 0.1003 |
| South Korea Won | 1087 | 1.3000 |
| Russia Ruble | 73.9273 | -0.0964 |
| Chinese Yuan | 6.4783 | 0.0154 |
| Vietnam Dong | 23080 | -13 |
| Mexican Peso | 20.0129 | 0.3633 |

NSE Currency Market Watch

| Currency | LTP | Change |
|----------|---------|---------|
| NDF | 73.7 | -0.06 |
| USDINR | 73.545 | 0.305 |
| JPYINR | 70.9325 | -0.25 |
| GBPINR | 99.785 | -0.19 |
| EURINR | 90.1025 | -0.23 |
| USDJPY | 103.57 | 0.59 |
| GBPUSD | 1.3572 | -0.0083 |
| EURUSD | 1.2256 | -0.008 |

Market Summary and News

- India's economy is set for its biggest annual contraction as the rapid spread of coronavirus cases and measures to contain them hurt businesses and households. Gross domestic product is likely to shrink 7.7% in the financial year ending March 2021, the statistics ministry said in its first advance estimate published on Thursday. That's steeper than a 7.5% drop forecast by the Reserve Bank of India. The estimates may undergo sharp revisions due to disruptions caused by steps to contain the pandemic, said the statistics office, which had suspended data collection coinciding with a nationwide lockdown. The rupee declined 0.3% at close in Mumbai on Thursday before the data was published, while sovereign bonds were little changed. Despite one of the strictest coronavirus lockdowns, India is now home to the world's second-highest virus infections which at more than 10.4 million has kept the government from fully reopening the economy.
- Economic confidence in the euro area picked up in December, with manufacturers in particular showing resilience against a resurgent pandemic that's triggered tougher restrictions across the region. A European Commission sentiment index rose by 2.7 points to 90.4 from the previous month, mainly driven by optimism among consumers and in the industrial sector. An indicator for employment expectations also recovered from a drop in November. The data adds to evidence that the European economy entered the second wave of lockdowns in relatively robust shape. Italy and Spain saw some of the strongest gains in confidence in December. Services providers and retailers those most directly hit by government curbs recorded a slight drop in sentiment. A slow start to vaccination campaigns is also casting doubts on how quickly businesses will be able to recover. While the economy may have fared better in the fourth quarter than anticipated, there's growing uncertainty about performance at the start of 2021. The European Central Bank increased monetary stimulus in December and extended emergency asset purchases to March 2022, seeking to keep borrowing costs low for companies and households. Governments have also pledged continued support.
- The minutes of the Dec. 15-16 FOMC meeting show broad consensus for a dovish policy bias even if the economy begins to re-strengthen later this year. Participants saw recovery slowing amid rising pandemic risks and a "long way" to go until the labor market reaches levels consistent with maximum employment. The minutes cover deliberations that took place prior to both the \$900 billion stimulus agreement signed later in December, as well as the outcome of the Georgia Senate runoffs which have Democrats poised to control Congress and the presidency for the next two years. The latter could prove a substantial boost to growth via another stimulus tranche but policy makers is less likely to overreact to either a transitory near-term lift in inflation, or preliminary expectations of stronger growth. There was little clarification about what would characterize substantial further progress on unemployment and inflation goals. This was new qualitative guidance on what would cause a shift in the pace of QE purchases, introduced in December. Indeed, participants commented that this judgment would be broad, qualitative, and not based on specific numerical criteria or thresholds.

Key Market Levels for the Day

| | S3 | S2 | S1 | R1 | R2 | R3 |
|-------------|---------|---------|---------|---------|---------|---------|
| USDINR Spot | 72.8000 | 72.9500 | 73.1000 | 73.4500 | 73.6000 | 73.7500 |



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Nirmal Bang Securities - Bullion Technical Market Update

Gold Market Update



Market View

| | |
|------------------|--------|
| Open | 50740 |
| High | 51046 |
| Low | 50660 |
| Close | 50904 |
| Value Change | 395 |
| % Change | 0.78 |
| Spread Near-Next | 0 |
| Volume (Lots) | 10818 |
| Open Interest | 8370 |
| Change in OI (%) | -6.91% |

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 zone in the short run. Try to buy around 1890-1900 for target 1930-45.

SELL GOLD FEB (MCX) AT 51150 SL 51380 TARGET 50800/50700

Silver Market Update



Market View

| | |
|------------------|-------|
| Open | 62600 |
| High | 63170 |
| Low | 62300 |
| Close | 62471 |
| Value Change | -211 |
| % Change | -0.34 |
| Spread Near-Next | 7491 |
| 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 ranged 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 69800 SL 69200 TARGET 70700/71000.



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Nirmal Bang Securities - Currency Technical Market Update

USDINR Market Update



Market View

| | |
|------------------|---------|
| Open | 73.25 |
| High | 73.56 |
| Low | 73.23 |
| Close | 73.545 |
| Value Change | 0.305 |
| % Change | 0.42 |
| Spread Near-Next | -0.1781 |
| Volume | 1773301 |
| Open Interest | 2745190 |
| Change in OI (%) | -1.69% |

USDINRR - Outlook for the Day

USDINR had a flat open at 73.25 followed by a strong green momentum leading the pair to mark the day's high at 73.56 with closure near the same at 73.53. On the daily chart, the pair has formed a long green candle with a closure in higher highs and lows. USDINR has given a closed above short term moving average while holding resistance at the medium and long term moving average. USDINR if opens below 73.45, it will witness bearish momentum towards 73.20 – 73.10 and one can go short. However, an open above 73.60 will lead the pair to test the highs of 73.75. 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 73.50 for the target of 73.65 – 73.75 with stoploss at 73.30

Key Market Levels for the Day

| | S3 | S2 | S1 | R1 | R2 | R3 |
|----------------|---------|---------|---------|---------|---------|---------|
| USDINR January | 72.9500 | 73.1000 | 73.2500 | 73.6500 | 73.8000 | 73.9500 |



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