



# India Bullion and Jewellers Association Ltd.

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### Daily Bullion Physical Market Report

Date: 13<sup>th</sup> January 2021

#### Daily India Spot Market Rates

Description	Purity	AM	PM
Gold	999	49700	49664
Gold	995	49501	49465
Gold	916	45525	45492
Gold	750	37275	37248
Gold	585	29075	29053
Silver	999	65636	65564

\* Rates are exclusive of GST as of 12<sup>th</sup> January 2021  
Gold in Rs/10 Gm & Silver in Rs/Kg

#### Gold and Silver 999 Watch

Date	Gold*	Silver*
12 <sup>th</sup> January 2021	49664	65564
11 <sup>th</sup> January 2021	49534	65013
8 <sup>th</sup> January 2021	50421	67374
7 <sup>th</sup> January 2021	51049	68592

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

#### COMEX Futures Watch

Description	Contract	Close	Change	% Chg
Gold(\$/oz)	February	1844.20	-6.60	-0.36
Silver(\$/oz)	March	25.44	0.15	0.60

#### Bullion Futures DGCX

Description	Contract	LTP
Gold (\$/oz)	27 <sup>th</sup> January 2021	1854.2
Gold Quanto	27 <sup>th</sup> January 2021	49065
Silver (\$/oz)	25 <sup>th</sup> February 2021	25.68

#### ETF Holdings as on Previous Close

ETF	In Tons	Net Change
SPDR Gold	1,181.71	0.00
iShares Silver	17,346.84	-62.14

#### Gold and Silver Fix

Description	LTP
Gold London AM Fix(\$/oz)	1861.85
Gold London PM Fix(\$/oz)	1841.25
Silver London Fix(\$/oz)	25.53

#### Weekly CFTC Positions

	Long	Short	Net
Gold	2,02,837.00	50,708.00	1,52,129.00
Silver	74,887.00	27,254.00	47,633.00

#### Gold Ratio

Gold Silver Ratio	72.51
Gold Crude Ratio	34.66

#### Macro-Economic Indicators

Time	Country	Event	Forecast	Previous	Impact
13 <sup>th</sup> January 7:00PM	United States	CPI m/m	0.4%	0.2%	Medium
13 <sup>th</sup> January 7:00PM	United States	Core CPI m/m	0.1%	0.2%	Medium

#### MCX Indices

Index	Close	Net Change	% Change
MCX iCOMDEX Bullion	15330.57	-50.29	-0.33%



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

- Gold prices fluctuated as the dollar pared some losses, damping demand for the precious metal as a store of value. The metal was little changed after gaining as much as 1.1%. Increased expectations for another large U.S. government spending package for coronavirus relief bolstered the greenback. President-elect Joe Biden is set to release plans for a multitrillion-dollar stimulus package on Thursday, and some analysts expect spending may bolster the inflation rate, boosting the appeal of gold as a hedge. Gold has eased in 2021 after posting the biggest annual gain in a decade on the back of the coronavirus crisis, vast stimulus and rising haven demand. Now, Federal Reserve officials are saying that more fiscal support and the distribution of vaccines may lead to a strong U.S. economic recovery in the second half of the year, setting the stage for a discussion about tapering of bond buying before year-end, and even an early rate hike.
- A multi-year drive to reduce exposure to U.S. assets has pushed the share of gold in Russia's \$583 billion international reserves above dollars for the first time on record. Gold made up 23% of the central bank's stockpile as of the end of June 2020, the latest date for which data on the breakdown is available, according to a report published late Monday. The share of dollar assets dropped to 22%, down from more than 40% in 2018. The shift is part of a broader strategy outlined by President Vladimir Putin to "de-dollarize" the Russian economy and lower its vulnerability to U.S. sanctions amid deteriorating relations with Washington. Gold is now the second-biggest component of the central bank's reserves after the euro, which makes up about a third of total assets. About 12% of the stash is in Yuan.
- Rescue operations are underway for 22 workers trapped underground following an explosion at a gold mine under construction in Shandong Province, China, Xinhua reports, citing a statement from the Qixia Municipal Party Committee. The blast occurred in Xicheng Town, Qixia City at 2pm local time on Jan. 10, damaging the communication signal system so no contact has been made yet with those trapped. Shandong Province authorities are mobilizing more rescue forces to the scene.
- Exchange-traded funds added 1,791 troy ounces of gold to their holdings in the last trading session, bringing this year's net purchases to 596,747 ounces, according to data compiled by Bloomberg. ETFs also added 1.13 million troy ounces of silver to their holdings in the last trading session, bringing this year's net purchases to 6.49 million ounces. This was the fifth straight day of growth, the longest winning streak since Dec. 7.

**Fundamental Outlook:** Gold and silver prices are trading slightly higher on international bourses today. Gold and silver held an advance gain as investors tracked shifts in the dollar and Treasury yields, while digesting comments from two Federal Reserve officials that it's premature to talk about tapering its asset purchases.

#### Key Market Levels for the Day

	Month	S3	S2	S1	R1	R2	R3
Gold – COMEX	February	1740	1770	1800	1890	1920	1960
Silver – COMEX	March	24.50	24.80	25.20	25.75	26.00	26.50
Gold – MCX	February	48900	49100	49400	49570	49750	49930
Silver - MCX	March	64500	65100	66000	66500	67200	67800



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### Nirmal Bang Securities - Daily Currency Market Update

#### Dollar index

LTP/Close	Change	% Change
90.09	-0.37	-0.41

#### Bond Yield

10 YR Bonds	LTP	Change
United States	1.1291	-0.0170
Europe	-0.4690	0.0280
Japan	0.0410	0.0060
India	5.9180	0.0010

#### Emerging Market Currency

Currency	LTP	Change
Brazil Real	5.3212	-0.1865
South Korea Won	1099.95	2.7500
Russia Ruble	73.5488	-1.118
Chinese Yuan	6.4636	-0.0178
Vietnam Dong	23057	3
Mexican Peso	19.7904	-0.2769

#### NSE Currency Market Watch

Currency	LTP	Change
NDF	73.43	0.01
USDINR	73.3825	-0.1625
JPYINR	70.4275	-0.225
GBPINR	99.6875	0.455
EURINR	89.1525	-0.31
USDJPY	104.25	0.08
GBPUSD	1.3588	0.009
EURUSD	1.2151	-0.0015

#### Market Summary and News

- India's rural sector, which has been largely shielded from the restrictions to curb Covid-19 infections, continued its steady growth in November, according to our tracker. The seasonal month-on-month drop was milder than the fall seen a year ago. Rural growth picked up to 5.8% year on year in November from 5.4% in October. Factors that aided the rural economy include a jump in tractor sales growth and the government's rural spending returning to expansion after a two-month drop. In addition, higher growth in the amount of real currency held by the public indicates increasing demand for rural transactions. Data for the week ended Jan. 10 show a continued fall in active Covid-19 cases is finally beginning to lift consumer sentiment and drive activity indicators back toward pre-pandemic levels. Among supply-side high-frequency indicators, the employment rate picked up while power demand growth eased. On the demand side, a consumer sentiment gauge, road congestion and flight departures increased. The government has announced vaccines will be rolled starting on Jan. 16, which is likely to further boost consumer and business sentiment. The Reserve Bank of India probably bought \$2.8 billion of foreign currency assets in the week ended Jan. 1, according to our estimates. Total FX reserves of the central bank increased to \$585.3 billion in the week ended Jan. 1, from \$580.8 billion in the week prior. The following will lead to curtailing the rupee strength to 73 – 72.80 on the near term as a turnaround could be seen with the dollar index gaining the bullish sentiment and with RBI continuing to build the forex reserve.
- The dollar index covers 1.6% of the fall as traders covered short positions while 10-year Treasury yields pushed higher to levels not seen since March. Near-term weakening in the dollar amid a regime shift in U.S. rates propelled partly by prospects for meaningful fiscal expansion. It's no longer attractive to be positioned for a weaker dollar from here given the uncertainties around the fiscal policy outlook, the monetary policy outlook and the growth in inflation outlook. The neutral turn on the USD is amid rising U.S. fiscal stimulus odds and crowded USD sentiment and one should be looking for signals on when to turn bullish. Two key factors are behind the revised call on the dollar.
- Democrats' victory in the Georgia runoffs last week suggests as much as \$1 trillion in additional Covid-19 relief may be coming as soon as this quarter. There's also the possibility of discussions by the Federal Reserve about normalizing policy, which could begin as early as June. These two forces have the power to dispel a widespread USD-negative assumption of low U.S. yields. With focus shifting to new fiscal policies in the U.S., we think both U.S. real yields and the U.S. dollar are in a bottoming process as the greenback weakness is starting to look stretched, and we think a short-term reversal is imminent.
- The pound gained as the dollar weakened against most major currencies and as U.K. government figures showed over two million people have received their first shot of a coronavirus vaccine. The U.K. rates market remains skeptical that the BOE will lower their key policy at their next policy meeting in February. But there is gaining of confidence recently that the BOE will take policy action and lower rates into negative territory, which poses downside risks in the coming weeks and month ahead. At the same time the pound could be deriving some support as well in the near-term from encouraging figures from the U.K. government over the rollout of vaccines.

#### Key Market Levels for the Day

	S3	S2	S1	R1	R2	R3
USDINR Spot	72.7000	72.8500	73.1000	73.3500	73.5000	73.6500



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### Nirmal Bang Securities - Bullion Technical Market Update

#### Gold Market Update



#### Market View

Open	49320
High	49570
Low	48933
Close	49045
Value Change	-296
% Change	-0.6
Spread Near-Next	0
Volume (Lots)	9184
Open Interest	8598
Change in OI (%)	0.59%

#### Gold - Outlook for the Day

Gold prices after a sharp fall on Friday finally settled around \$1850. The magnitude of selling was tremendous high we expect the prices will rebound till \$1890, and likely to trade ranged between \$1810-1890.

**BUY GOLD FEB (MCX) AT 49400 SL 49100 TARGET 49750/49800**

#### Silver Market Update



#### Market View

Open	65444
High	66416
Low	65146
Close	65906
Value Change	351
% Change	0.54
Spread Near-Next	0
Volume (Lots)	19166
Open Interest	12079
Change in OI(%)	-0.09%

#### Silver - Outlook for the Day

Silver prices too witnessed a sharp fall of more than \$3 in a single day which is maximum in a two month.. we expect it to bounce till \$26-26.30 for the day and will be trading ranged bound between \$25-26.30.

**BUY SILVER MARCH (MCX) AT 66000 SL 65100 TARGET 67200/67500.**





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### Nirmal Bang Securities - Currency Technical Market Update

#### USDINR Market Update



#### Market View

Open	73.6475
High	73.6475
Low	73.335
Close	73.3825
Value Change	-0.1625
% Change	-0.22
Spread Near-Next	-0.0156
Volume	1675369
Open Interest	2665406
Change in OI (%)	-0.06%

#### USDINRR - Outlook for the Day

USDINR had a positive open at 73.65 followed by sharp profit taking leading the pair to test the lows of 73.33 with closure near the same at 73.37. On the daily chart, the pair has formed a long red candle indicating bearish sentiment. USDINR has given a closed above short term moving average & medium term moving average while holding resistance at the long term moving average thus supporting the negative bias. USDINR if opens below 73.35, it will witness bearish momentum towards 73.20 – 73.10 and one can go short. However, an open above 73.42 will lead the pair to test the highs of 73.55 – 73.60. The daily strength indicator RSI and momentum oscillator both are heading towards the negative zone indicating weakness in the pair.

#### Key Market Levels for the Day

	S3	S2	S1	R1	R2	R3
USDINR January	72.9500	73.1000	73.2500	73.5500	73.7000	73.8500



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