



# India Bullion and Jewellers Association Ltd.

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### Daily Bullion Physical Market Report

Date: 14<sup>th</sup> September 2020

#### Daily India Spot Market Rates

Description	Purity	AM	PM
Gold	999	51304	51441
Gold	995	51099	51235
Gold	916	30013	30093
Gold	750	46994	47120
Gold	585	38478	38581
Silver	999	65252	65424

\* Rates are exclusive of GST as of 11<sup>th</sup> September 2020  
Gold in Rs/10 Gm & Silver in Rs/Kg

#### Gold and Silver 999 Watch

Date	Gold*	Silver*
11 <sup>th</sup> September 2020	51441	65424
10 <sup>th</sup> September 2020	51476	66091
9 <sup>th</sup> September 2020	51051	64547
8 <sup>th</sup> September 2020	51075	64825

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

#### COMEX Futures Watch

Description	Contract	Close	Change	% Chg
Gold(\$/oz)	December	1947.90	9.40	0.48
Silver(\$/oz)	December	26.86	0.21	0.77

#### Bullion Futures DGCX

Description	Contract	LTP
Gold (\$/oz)	28 September 2020	1941.5
Gold Quanto	23 September 2020	51339
Silver (\$/oz)	25 November 2020	26.96

#### ETF Holdings as on Previous Close

ETF	In Tons	Net Change
SPDR Gold	1,248.00	-4.96
iShares Silver	17,321.14	-52.11

#### Gold and Silver Fix

Description	LTP
Gold London AM Fix(\$/oz)	1944.50
Gold London PM Fix(\$/oz)	1947.40
Silver London Fix(\$/oz)	26.88

#### Weekly CFTC Positions

	Long	Short	Net
Gold	1,93,812.00	39,183.00	1,54,629.00
Silver	59,874.00	24,132.00	35,742.00

#### Gold Ratio

Gold Silver Ratio	72.53
Gold Crude Ratio	52.18

#### Macro-Economic Indicators

Time	Country	Event	Forecast	Previous	Impact
14 <sup>th</sup> September 6:00PM	United States	Empire State Manufacturing Index	6.2	3.7	Low
14 <sup>th</sup> September 6:00PM	United States	Import Prices m/m	0.5%	0.7%	Low
14 <sup>th</sup> September 6:45PM	United States	Capacity Utilization Rate	71.7%	70.6%	Low
14 <sup>th</sup> September 6:45PM	United States	Industrial Production m/m	1.2%	3.0%	Low

#### MCX Indices

Index	Close	Net Change	% Change
MCX iCOMDEX Bullion	16221.60	-168.90	-1.04%



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

- Spot silver recorded its first consecutive weekly loss since March as signs of stabilizing economies curbed demand for precious metals as havens and investors awaited further policy signals from central banks. Growth in China's aggregate financing beat estimates, with a surge in government bond issuance and other easing policies helping to support the country's economic recovery. Silver, which has surged about 50% this year amid supply concerns, economic stimulus measures and bets on growing industrial demand, has wavered this month as near-record-high equities and signs of a brighter global growth outlook undercut support for precious metals, including gold.
- Money managers have decreased their bullish silver bets by 1,971 net-long positions to 35,742, weekly CFTC data on futures and options show. The net-long position was the least bullish in three Weeks. Long-only positions fell 2,122 lots to 59,874 in the week ending Sept. 8. The long-only total was the lowest in three weeks. Short-only positions fell 151 lots to 24,132.
- Since setting a record in August well above \$2,000 an ounce, gold's taken up a holding pattern in the \$1,900s, and next week's Federal Reserve meeting will help to influence the haven's next move. The two-day gathering with the statement and Jerome Powell's press conference on Wednesday takes place just a few weeks after the Fed chief outlined the bank's new approach to delivering its dual mandate by taking a more relaxed stance on inflation.
- Global central bankers are discovering that monetary policies they once viewed as unconventional and temporary are now proving to be conventional and long-lasting. Forced to think outside the box by the 2008 financial crisis and then again this year by the coronavirus pandemic, the Federal Reserve, European Central Bank and most of their international counterparts have become more aggressive and innovative than ever in defending their economies from recession and the threat of deflation.
- Federal Reserve Chair Jerome Powell can expect questions this week on what extra steps the central bank will take to support growth, half a year since the economy locked down to contain the coronavirus. Policy makers are not expected to change the current guidance in their statement on how long interest rates will stay near zero, though it could be a close call. Officials have said rates will remain low until the economy has recovered from the pandemic, and is on track to meet the Fed's twin goals for employment and price stability.

**Fundamental Outlook:** Dollar index has weakened slightly with the expectations of the availability of the covid-19 vaccines by the year end and also the market participants now eye the central banks meeting week for any further hint on the policy outlook. Gold and silver prices are expected to trade slightly higher and sell on rallies is expected for the day. We also continue to maintain our bullish view for bullions in medium to long term.

#### Key Market Levels for the Day

	Month	S3	S2	S1	R1	R2	R3
Gold – COMEX	December	1900	1920	1935	1950	1968	1980
Silver – COMEX	December	26.11	26.30	26.50	27.30	27.55	27.80
Gold – MCX	October	50700	50900	51200	51450	51650	51800
Silver - MCX	September	67200	68000	68500	69000	69700	70350



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### Nirmal Bang Securities - Daily Currency Market Update

#### Dollar index

LTP/Close	Change	% Change
93.33	0.08	0.09

#### Bond Yield

10 YR Bonds	LTP	Change
United States	0.6658	-0.0114
Europe	-0.4820	-0.0480
Japan	0.0270	-0.0010
India	6.0410	-0.0120

#### Emerging Market Currency

Currency	LTP	Change
Brazil Real	5.3196	-0.0007
South Korea Won	1186.9	2.0000
Russia Ruble	75.0403	-0.18
Chinese Yuan	6.8344	0.0001
Vietnam Dong	23167	0
Mexican Peso	21.276	-0.1674

#### NSE Currency Market Watch

Currency	LTP	Change
NDF	73.72	-0.06
USDINR	73.65	0.08
JPYINR	69.395	0.04
GBPINR	94.565	-1.0975
EURINR	87.3675	0.26
USDJPY	106.18	0.15
GBPUSD	1.284	-0.0154
EURUSD	1.1859	0.002

#### Market Summary and News

- Underlying price pressures in the euro area have stabilized at a low level that isn't in line with the European Central Bank's goal, according to Governing Council member Olli Rehn. While the institution's pandemic stimulus has prevented strong deflationary trends from emerging, "the inflation outlook is a concern," he said in a webinar on Saturday. He added that core inflation -- which measures price growth excluding more volatile food and energy prices -- has been relatively stable despite drastic swings in the real economy. "Unfortunately, the stability has materialized at a very low level, i.e. clearly below our target," he said. His comments suggest the ECB may need to do more to support the region's economy once the full impact of the pandemic becomes clear and if the inflation outlook doesn't improve.
- After the ECB's latest policy update on Thursday, President Christine Lagarde struck a mild but cautious tone saying that incoming information, including developments in the exchange rate, will need to be monitored. Rehn echoed this sentiment. The euro's more than 10% jump since March is a key factor dampening the inflation outlook, ECB chief economist Philip Lanesaid a day after Lagarde's remarks, leaving "no room for complacency." Various policy makers have attempted since then to strike a balance between voicing concerns about the euro's surge and avoiding any impression that they're deliberately trying to weaken the currency. Speaking at a gathering of EU finance ministers in Berlin on Saturday, ECB Vice President Luis de Guindos reiterated the exchange rate "is one of the most important variables" in terms of macroeconomic performance and said his institution is closely monitoring how it affects price stability.
- Risk reversals are starting to point to a stronger dollar as U.S. fiscal stimulus chances fade and virus concerns weigh on risk appetite. The 1-month risk reversal in the Bloomberg Dollar Spot index climbs to 0.2250 in favor of the greenback, highest level since July 20. An index of 1-year risk reversals in Bloomberg Dollar Spot index is higher at 0.2670 in favour the dollar though corresponding 1-year implied drop to 5.1294, lowest level since late July. Implied curves are priced for event risk with the euro curve peaking in the 2-month tenor, a period that includes U.S. elections on Nov. 3 and Nov. 5 FOMC meeting. Tail risks for the greenback's G-10 counterparts remain low, potentially a sign that volatility is underpriced.

#### Key Market Levels for the Day

	S3	S2	S1	R1	R2	R3
USDINR Spot	72.7000	72.8500	73.1000	73.5000	73.6500	73.8500



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### Nirmal Bang Securities - Bullion Technical Market Update

#### Gold Market Update



#### Market View

Open	51431
High	51684
Low	51224
Close	51319
Value Change	-455
% Change	-0.88
Spread Near-Next	175
Volume (Lots)	9559
Open Interest	11561
Change in OI (%)	-4.75%

#### Gold - Outlook for the Day

Comex Gold is likely to trade weak for the day. it seems that the prices are likely to trade bet \$1900-1940. The rally if sustain below \$1950 sell on rise around \$1950-55 for the target of 1900-1910 for the day. Negative 9/21 MA shows that the weak momentum and recommend to sell on rise.

**BUY GOLD OCT (MCX) AT 51200 SL 50900 TARGET 51650/51800.**

#### Silver Market Update



#### Market View

Open	68500
High	68579
Low	67613
Close	67928
Value Change	-1063
% Change	-1.54
Spread Near-Next	2248
Volume (Lots)	20938
Open Interest	15756
Change in OI(%)	-0.76%

#### Silver - Outlook for the Day

In Comex Silver We are expecting prices to trade weak so recommend selling on rise around \$27-27.20. Negative 9/21 MA shows weak momentum sell silver on rise \$27-27.20 for target \$26.30-25.70.

**BUY SILVER DEC (MCX) AT 68000 SL 67200 TARGET 69300/69700.**





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### Nirmal Bang Securities - Currency Technical Market Update

#### USDINR Market Update



#### Market View

Open	73.6275
High	73.6375
Low	73.14
Close	73.57
Value Change	-0.1575
% Change	-0.21
Spread Near-Next	0.22
Volume	2579779
Open Interest	1304730
Change in OI (%)	-11.59%

#### USDINRR - Outlook for the Day

USDINR had a flat open at 73.55 and thereafter remained in a very narrow range within the 73.73 – 73.60 for most part of the session before closing in green at 73.65. On the daily chart, the pair has formed a small green candle and has closed in higher highs and lows but as the pair didn't witness much of a momentum, the reversal is still not confirmed. USDINR has gave closure above the short term moving average while still trading below the medium and long term moving averages on the daily chart. USDINR if opens on a positive note or trades above 73.65, it will move towards 73.85 - 74 on the higher side. However, a breach of 73.50 will lead the pair towards 73.35 – 73.10 on the lower side. The daily strength indicator RSI from the highs and momentum oscillator Stochastic are below the reference line representing negative bias in the pair.

**Buy USDINR above 73.65 for the target of 73.85 – 74 with stoploss at 73.50**

#### Key Market Levels for the Day

	S3	S2	S1	R1	R2	R3
USDINR September	73.1000	73.3500	73.5000	73.8500	74.0000	74.1500



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