



# India Bullion and Jewellers Association Ltd.

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### Daily Bullion Physical Market Report

Date: 16<sup>th</sup> October 2020

#### Daily India Spot Market Rates

Description	Purity	AM	PM
Gold	999	50603	50663
Gold	995	50400	50460
Gold	916	46352	46407
Gold	750	37952	37997
Gold	585	29603	29638
Silver	999	60573	60159

\* Rates are exclusive of GST as of 15<sup>th</sup> October 2020  
Gold in Rs/10 Gm & Silver in Rs/Kg

#### Gold and Silver 999 Watch

Date	Gold*	Silver*
15 <sup>th</sup> October 2020	50663	60159
14 <sup>th</sup> October 2020	50627	60730
13 <sup>th</sup> October 2020	51147	62188
12 <sup>th</sup> October 2020	51156	62606

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

#### COMEX Futures Watch

Description	Contract	Close	Change	% Chg
Gold(\$/oz)	December	1908.90	1.60	0.08
Silver(\$/oz)	December	24.22	-0.17	-0.70

#### Bullion Futures DGCX

Description	Contract	LTP
Gold (\$/oz)	25 November 2020	1911.5
Gold Quanto	25 November 2020	50732
Silver (\$/oz)	25 November 2020	24.41

#### ETF Holdings as on Previous Close

ETF	In Tons	Net Change
SPDR Gold	1,276.06	-1.88
iShares Silver	17,527.43	0.00

#### Gold and Silver Fix

Description	LTP
Gold London AM Fix(\$/oz)	1891.70
Gold London PM Fix(\$/oz)	1891.90
Silver London Fix(\$/oz)	23.94

#### Weekly CFTC Positions

	Long	Short	Net
Gold	1,75,165.00	44,156.00	1,31,009.00
Silver	60,203.00	24,575.00	35,628.00

#### Gold Ratio

Gold Silver Ratio	78.80
Gold Crude Ratio	46.60

#### Macro-Economic Indicators

Time	Country	Event	Forecast	Previous	Impact
16 <sup>th</sup> October 6:00PM	United States	Core Retail Sales m/m	0.4%	0.7%	High
16 <sup>th</sup> October 6:00PM	United States	Retail Sales m/m	0.7%	0.6%	High
16 <sup>th</sup> October 6:45PM	United States	Capacity Utilization Rate	72.1%	71.4%	Low
16 <sup>th</sup> October 6:45PM	United States	Industrial Production m/m	0.6%	0.4%	Low
16 <sup>th</sup> October 7:30PM	United States	Prelim UoM Consumer Sentiment	80.2	80.4	Medium

#### MCX Indices

Index	Close	Net Change	% Change
MCX iCOMDEX Bullion	15493.57	36.25	0.23



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

- Gold swung between gains and losses as traders assessed a rising dollar and fading chances for a U.S. fiscal stimulus package. The Bloomberg Dollar Spot Index rose as much as 0.6%, with investors turning to the currency as a haven amid a surge in coronavirus cases. Germany, Italy and the Czech Republic posted record increases in virus cases, while Paris is set for a curfew and Londoners will be banned from mixing with other households indoors. Gold has been whipsawed by the dollar in recent weeks after surging through much of the year amid unprecedented economic stimulus that raised fears of inflation.
- India's exports recorded positive year-on-year growth in September for the first time in six months, signaling that the economic recovery is gaining momentum. Gold imports slumped again after a temporary bounce in August; a sign consumer demand remains weak. The trade deficit narrowed further, which supports a current-account surplus.
- Federal Reserve Bank of Richmond President Thomas Barkin, in remarks Thursday prepared for delivery to the Economic Club of New York, said there's no reason for the central bank to raise rates until inflation overshoots its 2% target or financial stability risks emerge. "The Fed will aim to keep rates low until we see moderate overshoots of inflation or the development of financial stability risks". "Our statement last month reinforced that message, which was supported by our projections in which the median respondent didn't have a rate increase through 2023". "We also continue to engage in significant bond purchases that provide additional accommodation".
- Global finance chiefs and central bankers pledged to maintain an "extraordinary and agile" policy response to a coronavirus pandemic that threatens to leave long-lasting scars on the world economy. The International Monetary and Financial Committee, the main advisory body to the International Monetary Fund, committed to using all available tools to support jobs and growth, according to a statement on Thursday issued as part of the fund's annual meetings being held virtually this year. While the group said that a tentative global economic recovery is under way, it backed the IMF continuing to explore additional tools to help member nations.

**Fundamental Outlook:** The precious metals prices have been steadied, but without any deal between both the houses in U.S; gold and silver prices may further decline. The investors are weighing the outlook for fresh stimulus, but the real picture is, uncertainty surrounding the prospects of a stimulus deal being passed before the Nov. 3 presidential election. If there is no outcome on the stimulus bill, gold and silver prices will be trading under the pressure. Although the medium to longer term fundamentals continue to look bullish.

#### Key Market Levels for the Day

	Month	S3	S2	S1	R1	R2	R3
Gold – COMEX	December	1855	1870	1890	1920	1945	1968
Silver – COMEX	December	23.50	23.70	24.10	24.60	25.00	25.35
Gold – MCX	December	50000	50250	50550	50900	51200	51400
Silver - MCX	December	60000	60600	61200	61700	62250	62850



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### Nirmal Bang Securities - Daily Currency Market Update

#### Dollar index

LTP/Close	Change	% Change
93.86	0.47	0.51

#### Bond Yield

10 YR Bonds	LTP	Change
United States	0.7322	0.0067
Europe	-0.6120	-0.0290
Japan	0.0230	-0.0090
India	5.8980	-0.0040

#### Emerging Market Currency

Currency	LTP	Change
Brazil Real	5.6145	0.0219
South Korea Won	1143.25	-3.6500
Russia Ruble	78.0906	0.4381
Chinese Yuan	6.7254	0.0104
Vietnam Dong	23169	2
Mexican Peso	21.274	-0.0382

#### NSE Currency Market Watch

Currency	LTP	Change
NDF	73.58	0.04
USDINR	73.5075	0.12
JPYINR	69.83	0.175
GBPINR	95.06	-0.1
EURINR	86.1075	-0.0375
USDJPY	105.25	-0.09
GBPUSD	1.2927	-0.0039
EURUSD	1.1709	-0.0032

#### Market Summary and News

- London is on course for an imminent tightening of coronavirus restrictions, as cases continue to rise in Britain and its response fragments. A change in the rules in the U.K. capital is likely in very short order, according to an official in London Mayor Sadiq Khan's office. Khan and health leaders met Wednesday to discuss the potential move into stricter restrictions, which would ban two separate households from meeting indoors, the official said. London will soon hit an average of 100 cases per 100,000 people, the person said. Sterling extended losses after tighter coronavirus restrictions were imposed in London in an attempt to curb a rise in cases. GBP/USD dropped as much as 0.6% to 1.2937, retracing gains felled by Brexit optimism Wednesday.
- Applications for U.S. state unemployment benefits unexpectedly jumped last week to the highest since August and Americans increasingly moved to longer-term jobless aid. Both are troubling signs for a labor market whose recovery from the pandemic was already slowing. Initial jobless claims in regular state programs totaled 898,000 in the week ended Oct. 10, up 53,000 from the prior week, Labor Department data showed Thursday.
- The Indian government will borrow the estimated GST compensation cess shortfall of 1.1 trillion rupees in appropriate tranches under a special window, the finance ministry said in a statement. The amount so borrowed will be passed on to the states as a back-to-back loan in lieu of GST compensation cess releases. The borrowing will not have any impact on the fiscal deficit of the Indian government; the money will be reflected as the capital receipts of the state governments and as part of financing of its respective fiscal deficits. "This will avoid differential rates of interest that individual states may be charged for their respective SDLs and will be an administratively easier arrangement," the ministry says in the statement.
- European Central Bank officials see strong reasons to hold their nerve instead of rushing into expanding emergency stimulus despite a sharp slowdown in the economy and rise in coronavirus cases. While the surge in infections means new social restrictions and a hit to activity, there's little appetite among most policy makers to expand bond buying again at this month's meeting, people involved in deliberations said. That reinforces the idea that December is the most likely month for a decision, partly because the Governing Council will receive new growth and inflation forecasts and have more time to evaluate the economic damage. The U.S. election will have taken place, and uncertainty over Europe's fiscal stimulus package and Brexit may also have dissipated.

#### Key Market Levels for the Day

	S3	S2	S1	R1	R2	R3
USDINR Spot	72.7000	72.9000	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	50314
High	50749
Low	50280
Close	50712
Value Change	170
% Change	0.34
Spread Near-Next	49
Volume (Lots)	12140
Open Interest	14435
Change in OI (%)	-0.10%

#### 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 50550 SL 50250 TARGET 50900/51200.**

#### Silver Market Update



#### Market View

Open	61114
High	61665
Low	59820
Close	61535
Value Change	-68
% Change	-0.11
Spread Near-Next	1712
Volume (Lots)	28875
Open Interest	15091
Change in OI(%)	-0.80%

#### Silver - Outlook for the Day

Comex silver is likely to trade positive for target 25.50-70. Positive 9/21 MA shows strength momentum buy silver on dips \$24.70-60 for target 25.50-70.

**BUY SILVER DEC (MCX) AT 61200 SL 60500 TARGET 62500/63300.**





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### Nirmal Bang Securities - Currency Technical Market Update

#### USDINR Market Update



#### Market View

Open	73.41
High	73.545
Low	73.315
Close	73.3875
Value Change	0.0125
% Change	0.02
Spread Near-Next	0.2075
Volume	1925388
Open Interest	1867221
Change in OI (%)	0.82%

#### USDINRR - Outlook for the Day

USDINR had a flat open at 73.41 and after testing the lows of 73.27 did reversed its momentum to trade and close in green at 73.51. On the daily chart, the pair has formed a green candle and has closed sideways. The failure to breach the resistance of 73.75 is indicating weakness in the pair. USDINR has closed above short term moving average while still trading below the medium term moving averages and the long term moving averages. USDINR if opens on a positive note or trades above 73.45 and maintains the same as support, it can move towards 73.65 – 73.85 on the higher side. However, a breach of 73.38 will lead the pair towards 73.20 – 73.10 on the lower side. The daily strength indicator RSI from the highs and momentum oscillator Stochastic is still in the weaker zone.

**Buy USDINR above 73.45 for the target at 73.60 – 73.75 with stoploss at 73.20**

#### Key Market Levels for the Day

	S3	S2	S1	R1	R2	R3
USDINR October	72.9000	73.1000	73.2500	73.5500	73.7000	73.8500



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