

### Daily Bullion Physical Market Report

Date: 06<sup>th</sup> December 2023

#### Daily India Spot Market Rates

Description	Purity	AM	PM
Gold	999	62457	62287
Gold	995	62207	62038
Gold	916	57211	57055
Gold	750	46843	46715
Gold	585	36537	36438
Silver	999	75027	74383

Rate as exclusive of GST as of 05<sup>th</sup> December 2023 Gold is Rs/10 Gm & Silver in Rs/Kg

#### Gold and Silver 999 Watch

Date	GOLD*	SILVER*
05th December 2023	62287	74383
04th December 2023	63281	76430
01st December 2023	62728	76400
30 <sup>th</sup> November 2023	62607	75934

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

#### COMEX Futures Watch

Description	Contract	Close	Change	%Chg
Gold(\$/oz)	Feb 24	2036.30	-5.90	-0.29
Silver(\$/oz)	Mar 24	24.55	-0.36	-1.45

#### ETF Holdings as on Previous Close

ETFs	In Tonnes	Net Change
SPDR Gold	881.12	2.30
iShares Silver	13,470.63	-9.48

#### Gold and Silver Fix

Description	LTP
Gold London AM Fix(\$/oz)	2023.45
Gold London PM Fix(\$/oz)	2023.35
Silver London Fix(\$/oz)	24.27

#### Bullion Futures DGCX

Description	Contract	LTP
Gold(\$/oz)	FEB. 24	2036.2
Gold Quanto	FEB. 24	63363
Silver(\$/oz)	MAR. 24	24.50

#### Gold Ratio

Description	LTP
Gold Silver Ratio	82.96
Gold Crude Ratio	28.16

#### Weekly CFTC Positions

	Long	Short	Net
Gold(\$/oz)	197628	53218	144410
Silver	47583	21686	25897

#### MCX Indices

Index	Close	Net Change	% Chg
MCX iCOMDEX Bullion	16337.90	-74.22	-0.45 %

#### Macro-Economic Indicators

Time	Country	Event	Forecast	Previous	Impact
06th December 06:45 PM	United States	ADP Non-Farm Employment Change	126K	113K	High
06th December 07:00 PM	United States	Trade Balance	-64.1B	-61.5B	Low

## Nirmal Bang Securities - Daily Bullion News and Summary

❖ Spot gold edged lower yesterday as traders mulled the Federal Reserve's interest-rate path after data showed the US labor market is cooling. Job openings fell in October to the lowest level since March 2021, with available positions decreasing to 8.7 million from a downwardly revised 9.4 million in the prior month, according to a Bureau of Labor Statistics report released Tuesday. The openings figure was below all estimates in a Bloomberg survey of economists. Treasury yields pared gains after the print before recouping some of the advance, keeping bullion under pressure. The swaps market is pricing in a more than 50% chance of the Fed lower borrowing costs in March. The precious metal still traded near \$2,015 an ounce Tuesday after a volatile session the prior day that saw it reach a record high before pulling back as traders reined in bets that the Fed was nearing a pivot to rate cuts. Investors will be closely monitoring more jobs readings over the next few days for clues on the central bank's next steps. Bullion is up about 10% since early October, with the rally initially driven by haven buying following the Hamas attack on Israel before rising further on the prospect of looser monetary policy in the US. While a wave of purchases by central banks has also underpinned gold's strength this year, there has been a decline in the holdings of exchange-traded funds.

❖ Exchange-traded funds cut 63,393 troy ounces of gold from their holdings in the last trading session, bringing this year's net sales to 7.92 million ounces, according to data compiled by Bloomberg. This was the sixth straight day of declines, the longest losing streak since Oct. 10. The sales were equivalent to \$128.7 million at yesterday's spot price. Total gold held by ETFs fell 8.4 percent this year to 85.8 million ounces, the lowest level since Oct. 26. Gold advanced 11 percent this year to \$2,029.42 an ounce and fell by 2.1 percent in the latest session. State Street's SPDR Gold Shares, the biggest precious-metals ETF, boosted its holdings by 74,160 ounces in the last session. The fund's total of 28.3 million ounces has a market value of \$57.5 billion. ETFs also cut 1.41 million troy ounces of silver from their holdings in the last trading session, bringing this year's net sales to 50.7 million ounces. This was the fourth straight day of declines, the longest losing streak since Nov. 2.

❖ Surging gold prices are prompting some Indians to exchange gold jewelry for new pieces as demand rises during the wedding season in the biggest consumer of the precious metal after China. More Indians are looking to reuse their gold, and the higher prices mean imports will remain pressured in the coming months, said Surendra Mehta, national secretary at the India Bullion and Jewellers Association Ltd. Consumers have been buying to meet wedding-related needs, but are otherwise largely staying away from the market, he said. Spot gold jumped to a record high on Monday and has risen more than 10% since early October on speculation the Federal Reserve will cut rates early next year. A weakening rupee means bullion is even more expensive in India, which is totally reliant on imports. "Wedding purchases are happening as they are inevitable," said Ashish Pethe, a partner at Waman Hari Pethe Jewellers. Indian prices have been hovering around 60,000 rupees (\$720) for 10 grams, and some consumers have been adjusting their purchases by exchanging old jewelry for new, he said. Wearing and gifting gold is considered auspicious during weddings, and Indian spend heavily on jewelry. Most Indians tie the knot between November and February. Indian households and temples collectively hold about 25,000 tons of the precious metal. The country imported 220 tons of gold in the July-September quarter, 19% more than a year earlier.

❖ Wells Fargo & Co. Chief Executive Officer Charlie Scharf said the Federal Reserve's asset cap isn't doing much to limit his bank's activities at the moment but he expects it will in the future. "The asset cap today is not a material limitation just because of where the trends in deposits and where demand loan is," Scharf said Tuesday at the Goldman Sachs US Financial Services Conference. "It has been and it will be again." The fourth-largest US bank has been hobbled by a Fed order limiting it to its size at the end of 2017 for more than five years — longer than Scharf's tenure. The punishment is tied to a series of scandals at the bank that began with fake accounts seven years ago. Wells Fargo executives privately expect the restriction to stretch into 2025, Bloomberg News reported last month, citing people familiar with the matter. In the wide-ranging conversation, Scharf also said the economy is stronger than expected. Consumer spending is consistent and, as for businesses, "with all the talk of rising rates and potential downturns, they're positioned extremely well," he said. The San Francisco-based company expects to see losses in its portfolio of office loans in the fourth quarter and next year, Scharf said, adding that Wells Fargo is "conservatively reserved." The bank expects more severance costs than it had anticipated in the fourth quarter as turnover declines, the CEO said.

❖ US job openings pulled back in October to the lowest level since early 2021, underscoring the gradual cooling in the labor market that the Federal Reserve would like to see. Available positions decreased to 8.7 million from a downwardly revised 9.4 million in the prior month, the Bureau of Labor Statistics Job Openings and Labor Turnover Survey showed Tuesday. The figure was below all estimates in a Bloomberg survey of economists and the decline was broad-based across sectors. As the Fed keeps interest rates elevated to bring down inflation, policymakers are hoping the labor market softens through less demand for new workers rather than employers cutting jobs. So far, that's largely been working: Vacancies have retreated from a peak of 12 million last year and the unemployment rate has stayed historically low, though it's climbed somewhat in recent months. Taken with a separate report Tuesday that showed easing inflation in the service sector, the data indicate that both sides of the Fed's mandate — employment and price stability — are moving toward their longer-term estimated levels, according to Wells Fargo & Co. "While prices are still rising, they're doing so at a slower clip," economists Tim Quinlan and Shannon Seery Grein said in a note. "The labor market is also becoming less tight and thus exerting less upward pressure on wages." At the peak last year, more than four million people were quitting their jobs every month — reflecting confidence in their ability to secure new positions, often with much better pay. That's now stabilizing: The so-called quits rate, which measures voluntary job-leavers as a share of total employment, held for a fourth month at the lowest level since early 2021.

**Fundamental Outlook:** Gold and silver prices are trading flat today on the international bourses. We expect gold and silver prices to trade range-bound to higher for the day; as gold prices steadied — after tumbling almost 3% over the previous two sessions — as investors weighed the interest-rate outlook following data showing a slowdown in the US labor market.

## Key Market Levels for the Day

Time	Month	S3	S2	S1	R1	R2	R3
Gold – COMEX	Feb	1977	1997	2012	2027	2043	2065
Silver – COMEX	Mar	23.83	24.00	24.18	24.30	24.52	24.68
Gold – MCX	Feb	61500	61800	62050	62300	62550	62700
Silver – MCX	Mar	73700	74300	75000	75700	76300	77000



## Nirmal Bang Securities - Daily Currency Market Update

### Dollar Index

LTP/Close	Change	% Change
104.05	0.34	0.33

### Bond Yield

10 YR Bonds	LTP	Change
United States	4.1649	-0.0881
Europe	2.2450	-0.1070
Japan	0.6700	-0.0270
India	7.2580	-0.0120

### Emerging Market Currency

Currency	LTP	Change
Brazil Real	4.9287	-0.0162
South Korea Won	1311.2	7.1500
Russia Rubble	92.3128	1.1031
Chinese Yuan	7.1471	0.0037
Vietnam Dong	24271	19
Mexican Peso	17.3826	-0.0784

### NSE Currency Market Watch

Currency	LTP	Change
NDF	83.45	-0.04
USDINR	83.395	-0.015
JPYINR	56.945	-0.17
GBPINR	105.4	-0.295
EURINR	90.41	-0.365
USDJPY	146.49	0.38
GBPUSD	1.2629	-0.0049
EURUSD	1.0851	-0.0035

### Market Summary and News

❖ The greenback rose to its highest level in almost two weeks as fears of a slowdown in global growth triggered a rally in bonds. The Bloomberg Dollar Spot Index rises 0.3%, hits highest since Nov. 22; looks to close above its 200-DMA; the greenback is stronger against all its G-10 peers amid a surge in hedging activity and haven demand. 10-year US Treasury yields slid nine basis points to 4.17% after a report showed US job openings fell to lowest level since 2021, while an ISM services reading for November beat estimates. Yields and commodity currencies were pressured by the Bloomberg commodity index falling toward its YTD low. The Federal Reserve is losing control of its messaging on interest rates, but financial markets are wrong to expect imminent cuts, Allianz Chief Economic Adviser Mohamed El-Erian said. Option volatility for December expiry continues to climb amid gamma demand around policy meetings and key economic reports. Forward volumes recorded via DTCC surged to the highest level in over three months. EUR/USD trades down 0.5% at a three-week low of 1.0778; lower European yields weigh on common currency after regional PMI data and comments from ECB Executive Board member Isabel Schnabel; trader focus is on support near \$1.0760. USD/JPY is steady at 147.26 after falling to a 146.57 session low following the US JOLTS data; EUR/JPY looks to close near a one-month low, falling as much as 0.6% and retesting its 100-DMA at 158.72. GBP/USD drops 0.4% to 1.2583 as 10-year gilt yields slide 17 basis points. Australia's dollar led G-10 losses, falling 1% after the Reserve Bank left its policy rate unchanged at a 12-year high as widely expected and said data suggest inflation is moderating. USD/CAD rises 0.4% to 1.3586 amid lower commodity prices and higher volatility ahead of a Bank of Canada policy decision; Wednesday's two-day gain of 0.7% is most since November 8.

❖ India bond investors will keep watch on a 240 billion rupee Treasury bill sale Wednesday to gauge demand for the notes. 10-year yields dropped 1bps to 7.26% on Tuesday. USD/INR little changed at 83.3862; Implied opening from forwards suggest spot may start trading around 83.37. RBI Monetary Policy Committee meeting starts Dec. 6; decision to be announced Dec. 8; "We continue to expect the RBI to use liquidity tools, as and when necessary, to keep liquidity on the tighter side — in sync with the monetary policy stance," analysts including Upasna Bhardwaj, chief economist at Kotak Mahindra Bank wrote in a note. "In the near term, however, we do not see any necessity for the RBI to use liquidity tightening tools, as the banking system's liquidity is expected to remain in the negative zone through most of 3QFY24." Overseas investors sold 5.32 billion rupees of sovereign bonds under limits available to foreign investors on Tuesday, and added 8.62 billion rupees of corporate debt. State-run banks sold 9.09 billion rupees of sovereign bonds on Dec. 5: CCIL data. Foreign banks bought 13.7 billion rupees of bonds.

❖ A key gauge of emerging-market currencies fell Tuesday, moving off its best monthly performance in a year. The South African rand extended its losses after data showed US job openings peeling back in October to their lowest levels since early 2021, underscoring the gradual cooling in the labor market that the Federal Reserve desires. South African rand, South Korean won and Chilean peso among currencies with biggest losses. Rand fell as much as 1.18%, an intraday low, after the US jobs data. Currencies from Latin America, including those from Colombia, Mexico and Brazil, briefly rallied on the jobs report, before slipping back down. "Market is now adjusting to the possibility of a sooner and perhaps an increase in magnitude of rate cuts in the region," said Luis Hurtado, a currency strategist at CIBC in Toronto. Lira-denominated Turkish government bonds extended their rally, fueled in part by an increase in offshore buying and strong bids for the debt at auction the previous day. Forint down 0.2% against the dollar after Hungarian Prime Minister Viktor Orban warned the European Union against discussing the start of membership talks with Ukraine at a leader's summit in Brussels next week. Chinese companies led emerging-market stocks lower after Moody's Investors Service cut its outlook for Chinese sovereign bonds to negative. MSCI's EM stock index fell closed down 0.193% , putting it on course for its longest decline since last month.

### Key Market Levels for the Day

	S3	S2	S1	R1	R2	R3
USDINR Spot	83.0925	83.1775	83.2755	83.3775	83.4550	83.5575

## Nirmal Bang Securities - Bullion Technical Market Update

### Gold Market Update



#### Market View

Open	62826
High	62826
Low	61942
Close	62185
Value Change	-184
% Change	-0.3
Spread Near-Next	329
Volume (Lots)	6598
Open Interest	16554
Change in OI (%)	-3.76%

### Gold - Outlook for the Day

**BUY GOLD FEB (MCX) AT 62050 SL 61800 TARGET 62350/62500**

### Silver Market Update



#### Market View

Open	76264
High	76365
Low	74920
Close	75279
Value Change	-889
% Change	-1.17
Spread Near-Next	1129
Volume (Lots)	21305
Open Interest	15274
Change in OI (%)	-18.76%

### Silver - Outlook for the Day

**BUY SILVER MAR (MCX) AT 75000 SL 74300 TARGET 75850/76300**

## Nirmal Bang Securities - Currency Technical Market Update

### USDINR Market Update



Market View	
Open	83.4125
High	83.4375
Low	83.3875
Close	83.395
Value Change	-0.015
% Change	-0.018
Spread Near-Next	-0.1622
Volume (Lots)	1379385
Open Interest	4543092
Change in OI (%)	-1.70%

### USDINR - Outlook for the Day

The USDINR future witnessed a gap-down opening at 83.41, which was followed by a session that showed consolidation in narrow range with candle closures near low. A small red candle formed by the USDINR price closed above 10-days moving averages placed at 83.37. On the daily chart, the momentum indicator RSI trailing between 50-57 level while MACD has made a positive crossover above the zero-line. We are anticipating that the price of USDINR futures will fluctuate today between 83.30 and 83.46.

### Key Market Levels for the Day

	S3	S2	S1	R1	R2	R3
USDINR December	83.1225	83.2275	83.3275	83.4600	83.5525	83.6575



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