

## Daily Bullion Physical Market Report

Date: 07<sup>th</sup> December 2023

### Daily India Spot Market Rates

Description	Purity	AM	PM
Gold	999	62266	62144
Gold	995	62017	61895
Gold	916	57036	56924
Gold	750	46700	46608
Gold	585	36426	36354
Silver	999	74430	74268

Rate as exclusive of GST as of 06<sup>th</sup> December 2023 Gold is Rs/10 Gm & Silver in Rs/Kg

### Gold and Silver 999 Watch

Date	GOLD*	SILVER*
06th December 2023	62144	74268
05th December 2023	62287	74383
04th December 2023	63281	76430
01st December 2023	62728	76400

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

### COMEX Futures Watch

Description	Contract	Close	Change	%Chg
Gold(\$/oz)	Feb 24	2047.90	11.60	0.57
Silver(\$/oz)	Mar 24	24.23	-0.32	-1.30

### ETF Holdings as on Previous Close

ETFs	In Tonnes	Net Change
SPDR Gold	880.83	-0.29
iShares Silver	13,470.63	0.00

### Gold and Silver Fix

Description	LTP
Gold London AM Fix(\$/oz)	2021.40
Gold London PM Fix(\$/oz)	2026.40
Silver London Fix(\$/oz)	24.10

### Bullion Futures DGCX

Description	Contract	LTP
Gold(\$/oz)	FEB. 24	2047.9
Gold Quanto	FEB. 24	62460
Silver(\$/oz)	MAR. 24	24.31

### Gold Ratio

Description	LTP
Gold Silver Ratio	84.53
Gold Crude Ratio	29.52

### 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	16254.07	13.16	0.08 %

### Macro-Economic Indicators

Time	Country	Event	Forecast	Previous	Impact
07th December 07:00 PM	United States	Unemployment Claims	221K	218K	High
07th December 08:30 PM	United States	Final Wholesale Inventories m/m	-0.2%	-0.2%	Low

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

❖ Gold nudged higher yesterday — after a two-day slump from a record high — as investors weighed the outlook for Federal Reserve interest rates following data showing a gradually-cooling US labor market. US companies scaled back hiring in November, with manufacturers reducing headcount to the lowest level since early 2022, according to the ADP Research Institute in collaboration with Stanford Digital Economy Lab. The softness in private payrolls is something the Fed would like to see, and that boosted bets that the central bank is done raising rates and may start cutting them next year. The swaps market is pricing in about a 60% chance of the Fed lowering borrowing costs in March. Gold has traded wildly this week, surging to a record high on Monday, before making a rapid retreat amid signs that traders' pricing of Fed rate cuts may have been too aggressive. The metal's rally since early October has been underpinned by bets for early monetary loosening in 2024, which has driven down US bond yields and benefited the non-interest bearing asset.

❖ Exchange-traded funds added 144,419 troy ounces of gold to their holdings in the last trading session, bringing this year's net sales to 7.77 million ounces, according to data compiled by Bloomberg. The purchases were equivalent to \$291.6 million at yesterday's spot price. Total gold held by ETFs fell 8.3 percent this year to 86 million ounces. Gold advanced 11 percent this year to \$2,019.36 an ounce and fell by 0.5 percent in the latest session. State Street's SPDR Gold Shares, the biggest precious-metals ETF, pared its holdings by 9,270 ounces in the last session. The fund's total of 28.3 million ounces has a market value of \$57.2 billion. ETFs cut 606,800 troy ounces of silver from their holdings in the last trading session, bringing this year's net sales to 51.3 million ounces. This was the fifth straight day of declines, the longest losing streak since Nov. 2.

❖ The rally in bonds around the globe gained further traction, with soft economic readings in both the US and Europe fueling speculation that major central banks will cut rates in the year to come. Just two days ahead of the US jobs report, data showed the gradual cooling in the labor market that the Fed would like to see. Private payrolls increased 103,000 last month, trailing estimates and giving further credence to Wall Street's dovish bid. Germany's factory orders unexpectedly fell — highlighting how manufacturing in Europe's largest economy remains stuck in a rut. "As we move into the end of the year, the key issues will be whether growth continues at a slower rate and inflation continues to move down," said Brad McMillan, chief investment officer for Commonwealth Financial Network. "Market expectations on rates have changed rapidly. While there is an opportunity here, there is also some risk." US 10-year yields extended their decline to 4.1%. Two-year rates edged slightly higher — seen as a healthy sign by many traders after a massive repricing of Fed bets in the front-end of the US curve. A survey conducted by 22V Research ahead of Friday's jobs report shows investors polled believe the period of economic optimism from September to November is over — with the US labor market loosening in January/February. To Stan Shipley at Evercore, Wednesday's ADP Research Institute payrolls tally and other high-frequency metrics suggest "soft" employment growth.

❖ Treasury Secretary Janet Yellen refrained from endorsing current expectations among traders for Federal Reserve interest-rate cuts, while saying that markets can sometimes complement policymakers' actions. "The markets anticipate future Fed moves based on their reading of incoming data," Yellen told reporters between meetings with government officials in Mexico City on Wednesday. "That's a healthy reaction in a way that — if markets are thoughtful when reading the data — can be helpful as a complement to monetary policy." But, she added, "the Fed is going to take whatever action they think it appropriate, and the state of markets is something that feeds into that." Investors are pricing in more than a 50% chance the Fed will lower borrowing costs in March, and expect the central bank's benchmark rate will fall to around 4% by the end of 2024. The benchmark is currently in a range between 5.25% and 5.5%.

**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 slightly higher for the day; as gold prices are steady — after edging higher in the previous session — as long-dated Treasury yields continued to fall following fresh data that indicated US labor market softness.

### Key Market Levels for the Day

Time	Month	S3	S2	S1	R1	R2	R3
Gold – COMEX	Feb	1985	2005	2022	2037	2055	2075
Silver – COMEX	Mar	23.48	23.65	23.85	24.00	24.18	24.35
Gold – MCX	Feb	61800	62100	62350	62550	62750	62900
Silver – MCX	Mar	73300	74000	74700	75000	75800	76500



## Nirmal Bang Securities - Daily Currency Market Update

### Dollar Index

LTP/Close	Change	% Change
104.15	0.10	0.10

### Bond Yield

10 YR Bonds	LTP	Change
United States	4.1040	-0.0609
Europe	2.1970	-0.0480
Japan	0.6390	-0.0310
India	7.2530	-0.0040

### Emerging Market Currency

Currency	LTP	Change
Brazil Real	4.9026	-0.0261
South Korea Won	1313.1	1.9000
Russia Rubble	92.9277	0.6149
Chinese Yuan	7.1606	0.0135
Vietnam Dong	24276	5
Mexican Peso	17.2778	-0.1048

### NSE Currency Market Watch

Currency	LTP	Change
NDF	83.4	0.02
USDINR	83.3725	-0.0225
JPYINR	56.76	-0.185
GBPINR	104.985	-0.415
EURINR	90.0275	-0.3825
USDJPY	146.94	0.45
GBPUSD	1.2594	-0.0035
EURUSD	1.0797	-0.0037

### Market Summary and News

❖ The greenback rose for a third day, reversing an earlier loss Wednesday amid haven-related buying after US data on private payrolls showed a softening in the jobs market. The Swiss franc touched a 14-month high versus the euro and the loonie erased a modest gain after Canada's central bank left its policy rate unchanged. Bloomberg Dollar Spot Index rose 0.1% after falling as much as 0.2% earlier in the session. Treasury 10-year yield falls 4 basis points on the day to 4.12% on speculation the Federal Reserve's tightening cycle may be complete. The ADP employment change of 103k missed the median forecast of a 130k gain; the prior month was revised lower. Unit labor costs for Q3 fell 1.2%, compared with estimate for a drop of 0.9%. A 4% drop in crude prices helps send the Bloomberg commodity index toward its YTD low. EUR/USD drops 0.3% to 1.0762, falling for a sixth day following a larger-than-expected decline in German factory orders. Sizable bids slows euro drop to strong technical support near 1.0760. Three-month risk reversals widen to 0.7% in favor of puts, the most bearish in a month. EUR/CHF drops for a sixth day and eyes the 2022 low of 0.9410 after late-day sales. EUR/SEK pares its decline after falling 0.6% amid a flurry of interbank krona flows toward the London fix. USD/JPY rises 0.2% to 147.38 amid broad dollar buying and as implied volatility in the pair drops. GBP/USD slips 0.3% to 1.2554 as back-end gilt yields slide; EUR/GBP settles after dipping to a three-month low of 0.8553. USD/CAD erases a drop to trade little changed at 1.3595 after the Bank of Canada left its policy rate unchanged at 5%, as expected. The central bank said it sees further signs of cooling inflation and that the economy is no longer in "excess demand." "With the next few rounds of data set to display a more uniform message of economic weakness and the BoC's next decision accompanied by a fresh set of economic projections, we expect the Bank will need to officially open the debate to policy easing in January, before cutting rates in April," writes Simon Harvey, head of FX analysis at Monex Europe and Canada. AUD/USD is little changed after jumping as much as 0.7% earlier; New Zealand's kiwi leads G-10 gainers.

❖ Most emerging-market currencies slipped against the dollar on Wednesday, even after employment data in the US showed that companies scaled back hiring in November. Latin American currencies rose, however, with the Chilean peso, the Brazilian real and the Mexican peso among the best performers. Fourteen of the 23 EM currencies tracked by Bloomberg slipped on Wednesday; MSCI EM stock index gained 0.30% after three days of losses. Latin American currencies gained, boosted by employment data in the US. The Chilean peso is the best performing currency, gaining 0.9% to trade for 872.53 against the dollar. The Brazilian real strengthens 0.5% to 4.9026 reais against the greenback. Yields on emerging European local-currency bonds held just off recent lows as ECB policymakers issued conflicting statements on the prospects for rate cuts in the currency bloc. In contrast, the Czech central bank pledged to maintain an overall hawkish monetary-policy stance even if it were to deliver its first interest-rate cut this year, Governor Ales Michl said on Wednesday. Turkish lira gains 0.1% against the dollar. Turkey has started a process of "permanent disinflation" as it manages expectations; Sabah newspaper cites President Recep Tayyip Erdogan as saying to a group of journalists. The Kenyan shilling's depreciation of almost 20% against the dollar this year is overdone, the East African nation's central bank governor said.

❖ India traders will keep watch on the rupee, as foreigners extend their streak of stock buying amid the equity market's value reaching more than \$4 trillion. USD/INR falls 0.1% to 83.3262 on Wednesday. Implied opening from forwards suggest spot may start trading around 83.3541. 10-year yields little changed at 7.25% on Wednesday. Overseas investors sold 2.44 billion rupees of sovereign bonds under limits available to foreign investors on Wednesday, and withdrew 360 million rupees of corporate debt. State-run banks sold 11.8 billion rupees of sovereign bonds on Dec. 6: CCIL data. Foreign banks bought 10.6 billion rupees of bonds.

### Key Market Levels for the Day

	S3	S2	S1	R1	R2	R3
USDINR Spot	83.0925	83.1875	83.2655	83.3775	83.4550	83.5575

## Nirmal Bang Securities - Bullion Technical Market Update

### Gold Market Update



Market View	
Open	62250
High	62567
Low	62201
Close	62440
Value Change	-903
% Change	-1.43
Spread Near-Next	364
Volume (Lots)	4509
Open Interest	16657
Change in OI (%)	99.87%

### Gold - Outlook for the Day

**SELL GOLD FEB (MCX) AT 62550 SL 62750 TARGET 62200/62000**  
**BUY GOLD FEB (MCX) AT 62000 SL 61800 TARGET 62250/62400**

### Silver Market Update



Market View	
Open	75454
High	75698
Low	74751
Close	74831
Value Change	-448
% Change	-0.6
Spread Near-Next	1138
Volume (Lots)	16090
Open Interest	14612
Change in OI (%)	-4.53%

### Silver - Outlook for the Day

**BUY SILVER MAR (MCX) AT 74000 SL 73300 TARGET 75000/75500**  
**SELL SILVER MAR (MCX) AT 75800 SL 76500 TARGET 75000/74500**

**Nirmal Bang Securities - Currency Technical Market Update**

**USDINR Market Update**



Market View	
Open	83.37
High	83.41
Low	83.335
Close	83.3725
Value Change	-0.0225
% Change	-0.027
Spread Near-Next	-0.1397
Volume (Lots)	1499092
Open Interest	4224835
Change in OI (%)	-7.53%

**USDINR - Outlook for the Day**

The USDINR future witnessed a gap-down opening at 83.37, which was followed by a session that showed consolidation in narrow range with candle closures near open. A doji candle formed by the USDINR price closed between short moving averages. The USDINR pair trading in choppy range for last 10 days. 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 83.44.

**Key Market Levels for the Day**

	S3	S2	S1	R1	R2	R3
USDINR December	83.1225	83.2275	83.3075	83.4500	83.5525	83.6575



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