

Daily Bullion Physical Market Report

Date: 08th December 2023

Daily India Spot Market Rates

Description	Purity	AM	PM
Gold	999	62285	62462
Gold	995	62036	62212
Gold	916	57053	57215
Gold	750	46714	46847
Gold	585	36437	36540
Silver	999	73566	73888

Rate as exclusive of GST as of 07th December 2023 Gold is Rs/10 Gm & Silver in Rs/Kg

Gold and Silver 999 Watch

Date	GOLD*	SILVER*
07th December 2023	62462	73888
06th December 2023	62144	74268
05th December 2023	62287	74383
04th December 2023	63281	76430

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

COMEX Futures Watch

Description	Contract	Close	Change	%Chg
Gold(\$/oz)	Feb 24	2046.40	-1.50	-0.07
Silver(\$/oz)	Mar 24	24.06	-0.17	-0.70

ETF Holdings as on Previous Close

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

Gold and Silver Fix

Description	LTP
Gold London AM Fix(\$/oz)	2033.30
Gold London PM Fix(\$/oz)	2026.90
Silver London Fix(\$/oz)	23.91

Bullion Futures DGCX

Description	Contract	LTP
Gold(\$/oz)	FEB. 24	2046.4
Gold Quanto	FEB. 24	62486
Silver(\$/oz)	MAR. 24	24.12

Gold Ratio

Description	LTP
Gold Silver Ratio	85.06
Gold Crude Ratio	29.51

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	16280.13	-12.40	-0.08 %

Macro-Economic Indicators

Time	Country	Event	Forecast	Previous	Impact
08th December 07:00 PM	United States	Average Hourly Earnings m/m	0.3%	0.2%	High
08th December 07:00 PM	United States	Non-Farm Employment Change	184K	150K	High
08th December 07:00 PM	United States	Unemployment Rate	3.9%	3.9%	High
08th December 08:30 PM	United States	Prelim UoM Consumer Sentiment	62.0	61.3	High
08th December 08:30 PM	United States	Prelim UoM Inflation Expectations	-	4.5%	Medium

Nirmal Bang Securities - Daily Bullion News and Summary

❖ Gold pared gains yesterday as traders awaited the headline US jobs report that will shed light on the path of Federal Reserve monetary policy. The precious metal traded near \$2,030 an ounce after a tumultuous start to the week, surging to a record on Monday before a rapid retreat on signs that bets on looser monetary policy may have been too aggressive. Traders refrained from committing to strong positions after data Thursday added to growing evidence of a cooling labor market in the US. Friday's non-farm payrolls print will be key in shaping bets for future interest-rate moves. Recurring jobless claims, a proxy for the number of people continuously receiving unemployment benefits, decreased by 64,000 to 1.86 million in the week ended Nov. 25. That marked only the second drop since early September and followed a surge in the prior week. Swaps markets are pricing in a 60% chance of monetary loosening at the central bank's March meeting.

❖ Exchange-traded funds added 155,228 troy ounces of gold to their holdings in the last trading session, bringing this year's net sales to 7.62 million ounces, according to data compiled by Bloomberg. The purchases were equivalent to \$314.4 million at yesterday's spot price. Total gold held by ETFs fell 8.1 percent this year to 86.1 million ounces. Gold advanced 11 percent this year to \$2,025.55 an ounce and by 0.3 percent in the latest session. State Street's SPDR Gold Shares, the biggest precious-metals ETF, maintained its holdings in the last session. The fund's total of 28.3 million ounces has a market value of \$57.4 billion. ETFs cut 788,460 troy ounces of silver from their holdings in the last trading session, bringing this year's net sales to 52.1 million ounces. This was the sixth straight day of declines, the longest losing streak since Nov. 2.

❖ Deliveries decline from 3,848.3 kilograms a year earlier, Fidelity Gold and Refinery, a unit of the central bank, says in an emailed statement. Large-scale miners delivered 936.3kg, up from 888.6kg during prior year; output by small-scale miners slumped to 552.4kgs from 2,959.7kg. Cumulative deliveries through November were 27,656kg. November output is the lowest monthly production so far this year. NOTE: Zimbabwe is targeting production of 40 tons of gold this year.

❖ A rally across US debt markets is giving a boost to the riskiest credits, shrinking the extra yield that investors demand to own speculative-grade bonds instead of Treasuries to its narrowest in 19 months. The average option-adjusted spread on a junk-rated corporate bond tightened to 364 basis points on Thursday, the index's lowest reading since April 2022, just after the Federal Reserve began its most aggressive rate-hiking cycle in decades to combat rising prices. Recent evidence of cooling inflation and slowing growth has helped stoke optimism that the Fed may be near the end of its campaign. That, in turn, has fueled demand for US bonds of all stripes while increasing risk appetite. The yield on the US 10-year Treasury has slid this month and is down more than 80 basis points from its October high. Spreads on investment-grade corporate bonds are also easing, with the average reaching its lowest level in nearly two years late last month, Bloomberg index data show. On Thursday, three borrowers took advantage of lower funding costs to sell \$1.7 billion of high-yield bonds ahead of Friday's employment report. The turn in sentiment has already spurred plenty of issuance in the junk-bond market in the final weeks of the year. Borrowers like Credit Acceptance Corp. and XPO Inc. have jumped in to sell nearly \$7 billion of notes since the month began, according to data compiled by Bloomberg. While investors and borrowers alike are cheering the potential end to Fed tightening, slower growth next year and a steep mountain of debt coming due could cut the rally short. JPMorgan Chase & Co. expects junk-bond spreads to widen by 50 basis points before the end of 2024. Morgan Stanley says they'll widen 90 basis points. Defaults are also expected to tick up next year, which is likely to push investors toward higher-quality issuers.

Fundamental Outlook: Gold and silver prices are trading slightly higher today on the international bourses. We expect gold and silver prices to trade range-bound to slightly higher for the day; as bullion prices edged higher ahead of US non-farm payrolls data that may prove key in shaping bets for monetary policy.

Key Market Levels for the Day

Time	Month	S3	S2	S1	R1	R2	R3
Gold – COMEX	Feb	2000	2022	2040	2055	2073	2093
Silver – COMEX	Mar	23.72	23.92	24.10	24.25	24.48	24.68
Gold – MCX	Feb	61900	62200	62400	62650	62800	63000
Silver – MCX	Mar	72800	73500	74200	74800	75500	76100

Nirmal Bang Securities - Daily Currency Market Update

Dollar Index

LTP/Close	Change	% Change
103.54	-0.61	-0.59

Bond Yield

10 YR Bonds	LTP	Change
United States	4.1495	0.0455
Europe	2.1890	-0.0090
Japan	0.7580	0.1190
India	7.2380	-0.0150

Emerging Market Currency

Currency	LTP	Change
Brazil Real	4.9056	0.003
South Korea Won	1325.4	12.3000
Russia Rubble	92.3966	-0.5311
Chinese Yuan	7.1486	-0.012
Vietnam Dong	24281	5
Mexican Peso	17.4726	0.1948

NSE Currency Market Watch

Currency	LTP	Change
NDF	83.42	-0.01
USDINR	83.41	0.0375
JPYINR	57.695	0.935
GBPINR	104.98	-0.005
EURINR	89.915	-0.1125
USDJPY	144.55	-2.39
GBPUSD	1.2583	-0.0011
EURUSD	1.0789	-0.0022

Market Summary and News

❖ The rally in the yen spilled over into a second day as traders wagered that the Bank of Japan will scrap the world's last negative interest-rate regime much sooner than previously thought. The currency advanced as much as 1.1% against the dollar on Friday, after briefly jumping almost 4% during the New York session. The outsized move Thursday may have been amplified by speculators closing bearish wagers on the yen, after leveraged funds boosted these to the highest level in more than a year last week. There were also suggestions that a lack of liquidity and algorithmic trading exacerbated the spike. "Yen-short positions may have been liquidated considerably," said Yukio Ishizuki, senior currency strategist at Daiwa Securities Co., who added that stop-loss trades were also likely triggered. "Soft US jobs data later today may spur more dollar selling, with 141 for the yen in sight again." Comments from BOJ Governor Kazuo Ueda earlier Thursday, along with remarks from one of his deputies on Wednesday, jolted financial markets in Tokyo and globally. The sharp push for the yen saw it appreciate against all of its peers in the Group of 10 on Thursday. Economists increasingly expect the central bank to achieve its inflation target, while remaining less aggressive than traders in expectations for how soon the BOJ will move. A growing majority of economists forecast that the negative rate regime will end by April, according to a Bloomberg survey. They are focused on whether Ueda gives any indication of changes to come in a policy statement or at his press conference following the next decision on Dec. 19, rather any outright change in settings that soon.

❖ The yen rallied the most since the Bank of Japan's move last year to tweak its yield curve amid speculation about further tightening by Japan's central bank. The US dollar is weaker as Treasury 2-year yields ease following in-line jobless claims and a soft wholesale trade report. The Bloomberg Dollar Spot Index drops 0.4% with the greenback trading lower against all of its G-10 peers. The 10-year US note yield rises 3 basis points to 4.15%, while the two-year yield dips. USD/JPY falls as much as 3.8% to four-month low of about 141.71, the most since Dec. 20, 2022. The move gained traction after BOJ Governor Kazuo Ueda said he explained the central bank's monetary policy to Prime Minister Fumio Kishida; Ueda said that handling monetary policy will get tougher through next year. Overnight-indexed swaps at one point indicated an almost 45% chance that the Japanese central bank would end its negative interest-rate policy this month. Two-week implied volatility in USD/JPY — which captures the upcoming BOJ meeting — rises to 14.5%, the highest since July EUR/JPY slides 3.4% to a 153.23, the lowest since July. EUR/USD rises 0.3% to 1.0800; bids seen at 1.0750, with large leveraged interest around 1.0700: traders. One-week volatility rises to 9.7%, the highest since May 4 as the tenor now captures the Fed and ECB policy decisions. EUR/CHF rises 0.3% to 0.9445 after falling to its lowest level since 2015. The risk-sensitive Australian dollar rises 0.8% as US shares and oil prices advance.

❖ Indian bond traders will look forward to the central bank's rate decision due Friday for cues on the trajectory of the rate cycle, liquidity scenario and inflation guidance. "RBI is likely to remain watchful, sound hawkish and wait for further data to emerge, before taking any further action," said Sandeep Bagla, chief executive officer at Trust Mutual Fund. "GDP is growing at higher-than-expected velocity and the next two inflation readings are likely to print closer to 6%, way higher than RBI target of 4%." 10-year yields fell 2bps to 7.24% on Thursday. USD/INR little changed at 83.3587 on Thursday. Implied opening from forwards suggest spot may start trading around 83.3240. India will sell INR390b of bonds on Friday at its weekly auction: RBI. Overseas investors bought 3.3 billion rupees of sovereign bonds under limits available to foreign investors on Thursday, and added 3.97 billion rupees of corporate debt. State-run banks sold 30.7 billion rupees of sovereign bonds on Dec. 7: CCIL data. Foreign banks bought 26.9 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	62414
High	62736
Low	62222
Close	62466
Value Change	26
% Change	0.04
Spread Near-Next	356
Volume (Lots)	4502
Open Interest	16339
Change in OI (%)	-1.95%

Gold - Outlook for the Day

BUY GOLD FEB (MCX) AT 62400 SL 62200 TARGET 62650/62800

Silver Market Update



Market View	
Open	74750
High	74961
Low	74000
Close	74313
Value Change	-518
% Change	-0.69
Spread Near-Next	1151
Volume (Lots)	17350
Open Interest	14268
Change in OI (%)	-2.41%

Silver - Outlook for the Day

BUY SILVER MAR (MCX) AT 74200 SL 73500 TARGET 75000/75500

Nirmal Bang Securities - Currency Technical Market Update

USDINR Market Update



Market View	
Open	83.3925
High	83.415
Low	83.3625
Close	83.41
Value Change	0.0375
% Change	0.045
Spread Near-Next	-0.1772
Volume (Lots)	1030866
Open Interest	4345242
Change in OI (%)	2.77%

USDINR - Outlook for the Day

The USDINR future witnessed a flat opening at 83.39, which was followed by a session that showed minimal buying from lower level with candle closures near high. A small green candle formed by the USDINR price closed above 10-days moving averages placed at 83.41. The USDINR pair trading in choppy range for last 2 weeks. 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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