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India Bullion and Jewellers Associations Ltd. Since 1919

India Bullion And Jewellers Association Ltd. Celebrating 103 Years 1919 - 2022

Daily Bullion Physical Market Report

Date: 10th August 2022

Daily India Spot Market Rates

Description	Purity	AM	PM
Gold	999	51968	52184
Gold	995	51760	51975
Gold	916	47603	47801
Gold	750	38976	39138
Gold	585	30401	30528
Silver	999	57380	58106

*Rate as exclusive of GST as of 08th August 2022 Gold is Rs/10 Gm & Silver in Rs/Kg

Gold and Silver 999 Watch

Date	GOLD*	SILVER*
08th August 2022	52184	58106
05th August 2022	52019	57362
04th August 2022	52039	58057
03rd August 2022	51566	57309

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

COMEX Futures Watch

Description	Contract	Close	Change	%Chg
Gold($/oz)	DEC 22	1812.30	7.10	0.39
Silver($/oz)	SEPT 22	20.48	-0.13	-0.64

ETF Holdings as on Previous Close

ETFs	Long	Short
SPDR Gold	999.16	0.00
iShares Silver	15,121.69	14.34

Gold and Silver Fix

Description	LTP
Gold London AM Fix($/oz)	1790.60
Gold London PM Fix($/oz)	1795.25
Silver London Fix($/oz)	20.60

Bullion Futures DGCX

Description	Contract	LTP
Gold($/oz)	August 22	1800.9
Gold Quanto	August 22	52509
Silver($/oz)	SEPT. 22	20.50

Gold Ratio

Description	LTP
Gold Silver Ratio	88.48
Gold Crude Ratio	20.03

Weekly CFTC Positions

	Long	Short	Net
Gold($/oz)	109004	81105	27899
Silver	33356	41752	-8396

MCX Indices

Index	Close	Net Change	% Chg
MCX iCOMDEX Bullion	14502.25	24.86	0.17 %

Macro-Economic Indicators

Time	Country	Event	Forecast	Previous	Impact
10th August 06:00 PM	United States	CPI m/m	0.2 %	1.3 %	HIGH
10th August 06:00 PM	United States	Core CPI m/m	0.5 %	0.7 %	HIGH

Nirmal Bang Securities - Daily Bullion News and Summary

❖ Gold inched higher as Treasury yields pared their recent surge, with traders temporarily looking beyond the Federal Reserve's aggressive interest-rate hike path. Bullion rose as much as 0.8%, rebounding from the worst daily loss in two weeks in the previous session. On Friday, a stronger-than-expected US jobs report added to the case for more Fed monetary tightening, pushing up the dollar and bond yields while crushing gold since it pays no interest and is priced in the greenback. Still, a bigger rate hike isn't a done deal, and investors are now waiting for a US inflation report later this week to gauge how hawkish the Fed may be at its September meeting. That allowed a pause for Treasury yields and the dollar, lifting gold prices on Monday.

❖ Gold holdings in London vaults were little changed m/m at the end of July, the London Bullion Market Association said Monday. Total holdings valued at $542.1b. Volume of silver in vaults fell 4.7% m/m to 29,576 tons. Data represents the holdings of six custodians that are members of the LBMA, as well as the Bank of England for gold.

❖ Silver's been the worst performer among major precious metals in 2022, but prices may have fallen far enough to spark a modest recovery. The white metal has lost more than 12% since the beginning of the year, weighed down by the stronger US dollar, rising interest rates and slowing growth. But prices could turn higher from later this year as the electronics and photovoltaics sectors support industrial consumption, while retail and jewelry demand look strong, James Steel, chief precious metals analyst at HSBC Securities USA Inc., said in a note early this month. "We believe silver is oversold," Steel said. "Much of silver's industrial demand will be well supported and will not reflect overall industrial sluggishness," while price declines will stimulate demand from key consumers China and India, he said. Still, headwinds to the white metal's rally exist as the world braces for the withdrawal of stimulus and an economic downturn. While HSBC remains positive, it has cut its forecasts as silver follows gold and copper lower. The bank now sees the average price at $22.25 an ounce for 2022 and at $23.50 for 2023. UBS Group AG expects silver to trade lower to $19 by early 2023. Spot silver was trading at $20.51 an ounce at 1:39 p.m. in New York, after bouncing back from a two-year low in mid-July. Silver's trajectory will closely follow gold, and investors should consider buying both metals when the Fed makes a proper dovish pivot and there's meaningful easing of policy to support growth, said Wayne Gordon, executive director for commodities and FX at UBS Group's global wealth management unit.

❖ The Federal Reserve is penciling in at least another couple of years of running down its bond portfolio of around $8 trillion. But observers are increasingly predicting it will end a whole lot sooner than that. Even before the Fed's balance-sheet runoff plan, known as quantitative tightening, gets up to full speed in September -- at a monthly clip of up to $95 billion, or over $1.1 trillion a year -- two camps of economists and strategists have emerged predicting an early end, at some point in 2023. One group says the central bank will have to abandon QT as early as next year, when it turns to cutting rates to combat an economic downturn -- unwinding some of the aggressive monetary tightening now under way to combat hot inflation. "The Fed will want to ensure their policy tools are rowing in the same direction," said Matthew Luzzetti, chief US economist at Deutsche Bank AG. "They won't want to be sending mixed signals," said Luzzetti, who predicts the Fed will both start cutting rates and end QT in September 2023. A second group sees an early end for reasons not unlike those that drove the Fed to halt its last effort at QT, in 2019: essentially, taking too much liquidity out of the US banking system. Scarcity in bank reserves is blamed for causing turmoil in financial markets back then, the only other experience the Fed and investors had with QT. The $95 billion monthly maximum reduction in the Fed's portfolio -- $60 billion of Treasuries and $35 billion of mortgage securities -- will be almost double the cap of $50 billion last time. By early 2023, the Fed will be at risk of overdoing it, according to strategists at Barclays Plc.

❖ Bank of England Deputy Governor Dave Ramsden said he thinks interest rates will have to rise again to control inflation, though hasn't yet decided how to vote on the issue next month or how high they may eventually go. "For me personally, I do think it's more likely than not that we will have to raise bank rate further," Ramsden said in an interview with Reuters published Tuesday. "But I haven't reached a firm decision on that. I'm to look at the indicators, look at the evidence as we approach each upcoming meeting." With inflation at a 40-year high and expected to accelerate, Governor Andrew Bailey and his colleagues have pushed through a series of rate rises and have yet to signal any potential end to the tightening. Russia's invasion of Ukraine pushed up natural gas prices, which will hit consumers with a record increase in utility bills in October. "We're in extraordinary period where a lot is changing," Ramsden said. "So I wouldn't want to make any predictions about where bank rate is going to end up. I guess one thing I would say is I think inflation expectations remain anchored, and that's really important." He also said the BOE would keep selling bonds from the Asset Purchase Portfolio it built up during the quantitative easing policy over the last decade even if officials eventually lower interest rates. The BOE said last week there would be a "high bar" to changing the timing of those sales, which may be approved as early as next month.

❖ The UK economy is still heading for a recession on Bank of England projections even if Liz Truss becomes prime minister and pushes through her aggressive tax-cutting agenda, according to Bloomberg Economics. The £39 billion ($47 billion) of tax giveaways proposed by the favorite to succeed Boris Johnson would reduce the depth of the slump expected by the central bank but still leave the economy smaller than it is now. The analysis published Tuesday calls into question Truss's claim that a recession isn't inevitable. She made her comments hours after the Bank of England warned the UK is facing almost two full years without a quarter of growth because of a deepening cost-of-living crisis. The BOE forecasts, which anticipate a five-quarter recession beginning in the final three months of 2022, are based on the government's current tax and spending plans. Truss has said she'll extend help immediately if she triumphs in the Conservative leadership race over Rishi Sunak. She's pledged to reverse a payroll tax increases that took effect in April, suspend the green levy on energy bills and cancel a planned rise in corporation tax set to take place in 2023. Bloomberg Economics, using its SHOK model of the UK economy, estimates her plans would see GDP shrink by 1.3% between the end of 2022 and the end of 2023, slightly less than the 2.1% assumed by BOE's Monetary Policy Committee. A package of direct support similar in scale to the £15 billion announced by Sunak in May when he chancellor would limit the damage to 1.1%.

❖ **Fundamental Outlook**: Gold and silver prices are trading slightly lower on international bourses. We expect precious metals prices on Indian bourses to trade range-bound to higher for the day. We recommend buy on dips in gold and silver in intra-day trading sessions as traders weighed the Federal Reserve's likely rate path and the chances of a global recession.

Key Market Levels for the Day

Time	Month	S3	S2	S1	R1	R2	R3
Gold – COMEX	December	1765	1785	1810	1825	1845	1870
Silver – COMEX	September	19.20	19.50	19.75	20.00	20.25	20.55
Gold – MCX	October	52000	52300	52500	52600	52800	53000
Silver – MCX	September	57400	57900	58500	59300	59800	60300

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Nirmal Bang Securities - Daily Currency Market Update

Dollar Index

LTP/Close	Change	% Change
106.37	-0.06	-0.06

Bond Yield

10 YR Bonds	LTP	Change
United States	2.7773	0.0037
Europe	0.9170	0.0220
Japan	0.1690	-0.0040
India	7.3480	0.0460

Emerging Market Currency

Currency	LTP	Change
Brazil Real	5.1249	0.012
South Korea Won	1304.45	3.8500
Russia Rubble	61.0994	-0.8228
Chinese Yuan	6.7527	0.0045
Vietnam Dong	23390	-4
Mexican Peso	20.2336	0.0212

NSE Currency Market Watch

Currency	LTP	Change
NDF	79.81	-0.03
USDINR	79.74	0.365
JPYINR	59.275	-0.4275
GBPINR	96.545	0.1425
EURINR	81.395	0.07
USDJPY	134.55	1.55
GBPUSD	1.2105	-0.0037
EURUSD	1.0207	-0.004

Market Summary and News

❖ We broadly agree that inflation will slow from June's 9.1% CPI print. But there's a lot of uncertainty about how quickly prices will decelerate into 2023. According to the latest estimates submitted to Bloomberg, CPI forecasts for 2Q of next year span a wide range of 1.8% to 7.7%. We expect the July CPI report (Wednesday) to show milder inflation than in June, but that will be cold comfort for the Federal Reserve. Wage growth is too hot and productivity is falling behind (nonfarm productivity, Tuesday). With productivity growth likely negative again in 2Q and revised data in the blowout July jobs report revealing wage growth reaccelerated over the past three months, underlying inflation is probably around 4%. The view is that core CPI likely will pick up in the next few months, and stay around that level even as the headline eases next year. To be sure, there have been some encouraging signs. Gasoline prices have fallen, PPI inflation (Thursday) has peaked, import prices (Friday) have provided some disinflationary impact via the strong dollar and long-term inflation expectations have edged down (U. Michigan consumer sentiment, Friday). But the US economy is dominated by services, and the hot wage readings ultimately will be the most important determinant of long-term inflation. As such, the Fed now needs to do more to cool wage growth.

❖ The RBI's plan to allow international trade settlement in local currency would help boost exports and reduce the trade deficit, Finance Minister Nirmala Sitharaman said in a Parliament reply Monday. It will promote growth of global trade by reducing the dependence on hard currency, with emphasis on exports from India and to support interest of global trading community in rupee.

❖ The three key pillars of the sell-the-yen trade were the widening US-Japan interest-rate gap, soaring oil prices and the loss of the currency's haven status which are crumbling as growing recessionary fears keep a cap on yields, put pressure on crude and send investors back into the arms of traditional safe assets. Dollar-yen, which soared 38% from a March 2020 trough to mid-July this year, is in retreat. The big yen short as we know it this year, it's over and Dollar-yen's peak is now likely behind us. The yen could be strengthening to 130 per dollar on average by the first quarter of 2023 with a clear contrast calls arguing that 140 and higher lay ahead at the peak of the bearishness in mid-July. An end to what threatened to become the worst-ever drawdown for the currency would be welcomed by businesses to consumers to politicians in Japan, where higher import costs are weighing on a post-pandemic recovery. It would vindicate the resolutely dovish stance of Bank of Japan Governor Haruhiko Kuroda and put pressure on hedge funds who came late to popular short-yen macro strategies. Perhaps the most effective handbrake on the yen's steep decline has been the pull back from ever higher Treasury yields. The yen is closely correlated to movements in US government bonds as the dynamic of a BOJ keeping rates pinned to the floor even as the Federal Reserve hikes aggressively weighs on relative attractiveness of Japanese assets. Now Treasury yields have retreated from their highs as traders tweak estimates for peak Fed rates and reconsider bonds on fears of a US slowdown.

❖ The UK economy probably shrank for the first time since the nation was in a coronavirus lockdown at the start of 2021, adding to pressure for action from the contenders vying to take over as prime minister. Gross domestic product for the second quarter probably shrank 0.2%, according to a survey of economists by Bloomberg News ahead of the official figures due to be published this week. The drop would mark a pause in the recovery from the pandemic and the start of a more protracted downturn, which the Bank of England expects to last into early 2024. That outlook is roiling the race to replace Boris Johnson as leader of the ruling Conservative Party and prime minister. Liz Truss and Rishi Sunak, who are competing in the race set to conclude in September, spent the weekend promoting their ideas to help. The central bank last week forecast that inflation will accelerate past a 40-year high to more than 13% this year, weighing heavily on consumer spending power. The remarks and the outlook for rising natural gas prices add to the pressure on Truss and Sunak to explain what they would do to revive the economy. Truss, the front-runner, has said she'd push through immediate tax cuts to help. Sunak, the former chancellor of the exchequer, says those measures would take too long to implement and wouldn't help enough of those most in need. The economic backdrop is deteriorating rapidly as the surge in inflation makes businesses and consumers more cautious about spending. The GDP report probably will show that the economy shrank 1.2% in June alone, held back in part by bank holidays to mark Queen Elizabeth II's jubilee. The BOE warned last week that the UK probably will enter recession in the fourth quarter of this year and keep shrinking for the whole of next year. Energy prices are the biggest factor weighing on households. Starting in October, utilities will be allowed to charge £4,000 ($4,860) a year for the average power and gas bill, the highest level ever and almost four times the level of a year ago. The BOE last week said gas futures are now about double the level they were in May, triggering a big increase in the central bank's outlook for inflation.

Key Market Levels for the Day

	S3	S2	S1	R1	R2	R3
USDINR Spot	79.1000	79.3000	79.5000	79.7200	79.8800	80.0000

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Since 1919

Nirmal Bang Securities - Bullion Technical Market Update

Gold Market Update

Market View	
Open	52350
High	52600
Low	52279
Close	52489
Value Change	201
% Change	0.38
Spread Near-Next	-188
Volume (Lots)	2648
Open Interest	16474
Change in OI (%)	1.09%

Gold - Outlook for the Day

Gold prices are likely to support around $ 1805-15, where we can initiate long positions and trade positive for the day. It can test 1835-40 for the coming sessions.

BUY GOLD OCT (MCX) AT 52300 SL 52100 TARGET 52600/52800

Silver Market Update

Market View	
Open	59119
High	59312
Low	58621
Close	58791
Value Change	-263
% Change	-0.45
Spread Near-Next	1209
Volume (Lots)	7409
Open Interest	14840
Change in OI (%)	1.38%

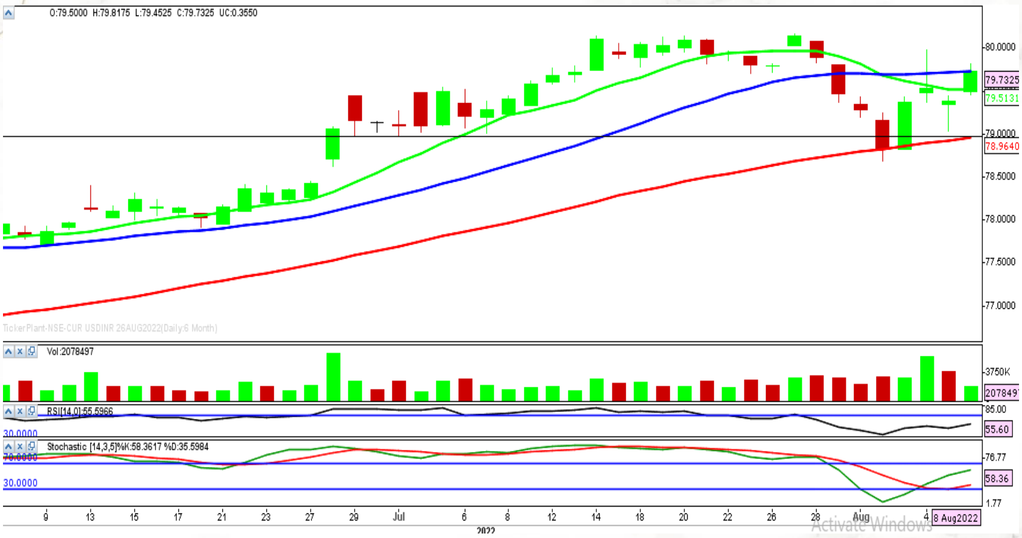
Silver - Outlook for the Day

Silver too looks positive for the sessions and likely to take support around $ 20.35-45 for the target of $ 20.85-20.95.

BUY SILVER SEPT (MCX) AT 58500 SL 57900 TARGET 59300/59800

Nirmal Bang Securities - Currency Technical Market Update

USDINR Market Update



Market View	
Open	79.5
High	79.8175
Low	79.4525
Close	79.74
Value Change	0.365
% Change	0.46
Spread Near-Next	-1.0434
Volume (Lots)	2078497
Open Interest	3305745
Change in OI (%)	0.00%

USDINR - Outlook for the Day

USDINR witnessed a gap up at 79.50 followed by a session in green marking the high of 79.81 with closure near the same. USDINR has formed a green candle with closure in higher highs and lows but maintains a resistance at 80.05. The pair has given closure above short and long term SMA's while holding resistance at medium term SMA's on the daily chart. USDINR, if trades below 79.65, pair will head towards 79.50 – 79.35 whereas, momentum above 79.82 will lead the pair to test the highs of 80 – 80.10. The daily strength indicator RSI and momentum oscillator Stochastic both are in positive zone with crossing their respective signal line thus indicating positive bias.

Key Market Levels for the Day

	S3	S2	S1	R1	R2	R3
USDINR August	79.2500	79.4000	79.5800	79.8500	79.9900	80.1000

Nirmal Bang Securities – Commodity Research Team

Name	Designation	Email
Kunal Shah	Head of Research	kunal.shah@nirmalbang.com
Devidas Rajadhikary	AVP Commodity Research	devidas.rajadhikary@nirmalbang.com
Harshal Mehta	AVP Commodity Research	harshal.mehta@nirmalbang.com
Ravi D'souza	Sr. Research Analyst	ravi.dsouza@nirmalbang.com
Smit Bhayani	Research Associate	smit.bhayani@nirmalbang.com
Riya Singh	Currency Research Analyst	riya.singh@nirmalbang.com

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