

Daily Bullion Physical Market Report

Date: 11th July 2024

Daily India Spot Market Rates

Description	Purity	AM	PM
Gold	999	72483	72616
Gold	995	72193	72325
Gold	916	66394	66516
Gold	750	54362	54462
Gold	585	42403	42480
Silver	999	91439	91793

Rate as exclusive of GST as of 10th July 2024 Gold is Rs/10 Gm & Silver in Rs/Kg

Gold and Silver 999 Watch

Date	GOLD*	SILVER*
10 th July 2024	72616	91793
09 th July 2024	72346	91847
08 th July 2024	72746	91733
05 th July 2024	72640	90709

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

COMEX Futures Watch

Description	Contract	Close	Change	%Chg
Gold(\$/oz)	AUG 24	2379.70	11.80	0.50
Silver(\$/oz)	SEPT 24	31.01	-0.04	-0.14

ETF Holdings as on Previous Close

ETFs	In Tonnes	Net Change
SPDR Gold	833.37	-1.43
iShares Silver	13,572.20	0.00

Gold and Silver Fix

Description	LTP
Gold London AM Fix(\$/oz)	2372.90
Gold London PM Fix(\$/oz)	2384.35
Silver London Fix(\$/oz)	30.94

Bullion Futures DGCX

Description	Contract	LTP
Gold(\$/oz)	AUG 24	2378.4
Gold Quanto	AUG 24	72688
Silver(\$/oz)	SEPT 24	31.11

Gold Ratio

Description	LTP
Gold Silver Ratio	76.73
Gold Crude Ratio	28.99

Weekly CFTC Positions

	Long	Short	Net
Gold(\$/oz)	191948	13407	178541
Silver	50072	17600	32472

MCX Indices

Index	Close	Net Change	% Chg
MCX iCOMDEX Bullion	18697.71	58.21	0.31 %

Macro-Economic Indicators

Time	Country	Event	Forecast	Previous	Impact
11 th July 06:00 PM	United States	Core CPI m/m	0.2%	0.2%	High
11 th July 06:00 PM	United States	CPI m/m	0.1%	0.0%	High
11 th July 06:00 PM	United States	CPI y/y	3.1%	3.3%	High
11 th July 06:00 PM	United States	Unemployment Claims	236K	238K	High
11 th July 09:00 PM	United States	FOMC Member Bostic Speaks	-	-	Low
11 th July 10:30 PM	United States	FOMC Member Musalem Speaks	-	-	Low
11 th July 11:30 PM	United States	Federal Budget Balance	56B	32B	Low

Nirmal Bang Securities - Daily Bullion News and Summary

□ Gold edger higher on Wednesday as US Federal Reserve Chair Jerome Powell told US lawmakers that he can see inflation headed lower, sustaining hopes for a pivot on interest rates this year. The precious metal traded above \$2,370 an ounce after eking out a small gain in the previous session. Powell again addressed lawmakers Wednesday on Capitol Hill, saying that he has some confidence that inflation is headed downward, and that the Fed doesn't need price gains to dip below 2% before cutting rates. Still, he also stressed that the central bank has more work to do and needs to be more confident about inflation. On Tuesday, Powell said that the US jobs market — a key focus for Fed as it seeks to tame inflation before easing policy — had now “cooled considerably.” But he stopped short of offering a timeline for rate cuts. Traders will get more data on inflation later this week, with a reading of the consumer price index for June to be released Thursday. Lower borrowing costs are generally supportive for non-interest bearing bullion. Gold-backed exchange-traded funds saw inflows for a second consecutive month in June, with buying in European and Asian markets offsetting outflows from North America, according to a report from the World Gold Council.

□ Holdings in gold-backed exchange-traded funds, a key indicator of bullion's price direction, are on the rise. This can further boost the precious metal while global central bank appetite remains strong. The climb in ETF holdings can offset hedge funds' liquidation pressure on gold, according to Bloomberg Intelligence analysis. Funds have eased off from their heavily stretched net-long futures positions, according to the latest Commitment of Traders data. Central bank demand continues to play a crucial role as well. Along with significant holdings in India and China, other countries like Nigeria and Serbia are piling in. Increased appetite from this sector may help bullion buck periods of weak demand in other parts of the market and could remain a substantial driving force in pushing prices to all-time highs.

□ Federal Reserve Chair Jerome Powell said he believes inflation is receding, but isn't yet confident that price gains are sustainably slowing to the central bank's 2% goal. “I do have some confidence” that inflation is receding, the Fed chief told House lawmakers on his second day of testimony in Washington. “The question is: Are we sufficiently confident that it is moving sustainably down to 2%? And I'm not prepared to say that yet.” Powell said recent price readings have shown “modest further progress,” and “more good data” would strengthen the central bank's confidence that inflation was returning to its 2% target, reiterating testimony he gave Tuesday to the Senate Banking Committee. The Fed chair has avoided giving any strong signals on the timing of interest rate cuts, though he has emphasized policymakers face risks from both moving too quickly or too slowly to take action. Those risks are now more balanced than they were, Powell said, and while Fed officials are still committed to bringing inflation down, they are also concerned about unemployment. “The job is not done on inflation, we have more work to do there,” he said, adding that policymakers are also very focused on “considerable softening in the labor market.” Powell's remarks to Congress suggest the Federal Open Market Committee is unlikely to reduce rates when it meets on July 30-31. The Fed has held its policy rate in a range of 5.25% to 5.5%, a more than two-decade high, for nearly a year.

□ Powell told lawmakers that Fed officials have more work to do on trimming their balance sheet. “We've made quite a lot of progress. We think we have a good ways to go,” he said in testimony before the House Financial Services Committee. The US central bank has reduced its holdings by about \$1.7 trillion so far and officials expect to shrink the balance sheet substantially more, continuing to offload holdings that ballooned as the Fed snapped up Treasury securities and mortgage-backed securities to stabilize markets and support the economy during the pandemic. The Fed in June slowed the pace at which it is letting bonds run off its balance sheet, a move Powell said will allow officials to move more carefully as they work to prevent their bond holdings from falling too low. Policymakers want to avoid a repeat of 2019 when a shortage of reserves led to a spike in short-term borrowing costs. “Going a little bit slower might actually enable us to go further,” Powell said. Markets are focused on whether officials will provide more clues after the July gathering about a possible rate cut in September. While the labor market has held up under pressure from higher interest rates, an uptick in the unemployment rate has added political pressure on Fed officials to start reducing borrowing costs. The Fed's preferred inflation measure rose 2.6% in the 12 months through May, down from 7.1% in June 2022. While unemployment remains low at 4.1%, it has ticked up in each of the last three months.

□ Federal Reserve Governor Lisa Cook said although soft landings in economies after bouts of high inflation are rare, that's what she is predicting for the US as inflation cools with little damage to the labor market. “My baseline forecast (and that of many outside observers) is that inflation will continue to move toward target over time, without much further rise in unemployment,” Cook said Thursday in prepared remarks to the Australian Conference of Economists in Adelaide. Cook said the Fed is “very attentive” to the unemployment rate currently, and would be “responsive” if it worsened. “There can be non-linearity in these data,” she said. Cook's speech was on the global coincidence of inflation in post-pandemic economies and central bank responses. She said there were many reasons to explain why inflation rose in so many countries, such as snarled supply chains and disruptions in global supplies of food and energy. Her comments followed two days of testimony by Fed Chair Jerome Powell on Capitol Hill, where he said policymakers are waiting for more data to confirm that they are on a sustained path toward 2% inflation. Traders are pricing in a slightly more than 70% chance of a quarter-point cut in September. The Fed chief also stressed that high inflation is not the only risk the central bank faces, and he said the policy committee is paying more attention to the labor market now, given recent cooling in the data. The US central bank has held its benchmark lending rate at a more than two-decade high of 5.25% to 5.5% for nearly a year in a bid to curb inflation.

Fundamental Outlook: Gold and silver prices are trading higher today on the international bourses. We expect gold and silver prices to trade ranger-bound to higher for the day, as gold prices held a two-day advance, with traders pricing in higher odds of an initial interest-rate cut from the Federal Reserve in September after Chair Jerome Powell told Congress he believes inflation is receding.

Key Market Levels for the Day

Time	Month	S3	S2	S1	R1	R2	R3
Gold – COMEX	August	2320	2345	2370	2385	2410	2435
Silver – COMEX	September	30.70	31.00	31.25	31.40	31.65	31.90
Gold – MCX	August	72200	72400	72650	72950	73150	73400
Silver – MCX	September	91300	92000	92800	93500	94200	94800

Nirmal Bang Securities - Daily Currency Market Update

Dollar Index

LTP/Close	Change	% Change
105.05	-0.08	-0.08

Bond Yield

10 YR Bonds	LTP	Change
United States	4.2841	-0.0117
Europe	2.5310	-0.0470
Japan	1.0850	-0.0070
India	6.9750	-0.0140

Emerging Market Currency

Currency	LTP	Change
Brazil Real	5.4161	-0.0051
South Korea Won	1384	0.5000
Russia Rubble	88.8501	1.0001
Chinese Yuan	7.276	0.0034
Vietnam Dong	25419	0
Mexican Peso	17.8372	-0.0781

NSE Currency Market Watch

Currency	LTP	Change
NDF	83.5800	-0.0100
USDINR	83.5500	0.0050
JPYINR	51.8725	-0.1500
GBPINR	106.9650	0.0175
EURINR	90.4425	-0.0250
USDJPY	161.0400	0.3800
GBPUSD	1.2801	0.0000
EURUSD	1.0832	0.0013

Market Summary and News

□ India's sovereign bonds edged slightly higher on Wednesday, helped by US Treasuries and lower oil prices. The rupee inched lower against the dollar. 10-year yields fell 1bp to 6.98%; 5-year yields down 1bp to 6.97%, the lowest since June 19, 2023. The RBI sold 200 billion rupees of t-bills as planned. Indian bond yields have been tracking US Treasuries, says Harsimran Singh Sahni, head of treasury at Anand Rathi Global Finance. "A welfare budget can be there," he added, referring to the final financial plan for the year due later this month. "If that's the case, yields should go higher." "As a trader, you should be on the sidelines till there is more clarity on the budget." "The market position in bonds is heavy, but flows on account of index inclusion have been disappointing." USD/INR up 0.1% to 83.53; The RBI drained INR107.7b through a two-day variable rate reverse repo (VRRR) auction on Wednesday vs. an INR500b plan. India sold 200b rupees of T-bills as planned: RBI statement.

□ The British pound advanced after traders trimmed odds for the Bank of England cutting interest-rates in August, while the Norwegian krone was the worst performer among peers in the Group of 10 after domestic inflation eased. The dollar index was little changed as markets await US CPI report to guide expectation for the first interest-rate reduction by the Federal Reserve. GBP/USD rose as much as 0.5% to 1.2847; conviction that the Bank of England will deliver an interest-rate cut at its upcoming decision waned after Chief Economist Huw Pill emphasized that inflation remains persistent in the UK. Goldman recommends going long GBP/USD over next two weeks with target at 1.30 as the dollar "appears primed for further weakness over the very short-term." "Going into the US election, we still expect to see renewed dollar support on the back of likely limited portfolio flows and the upside risk posed by broader tariffs, especially against CNY and other Asia FX," Goldman strategist Karen Reichgott Fishman wrote in a note. The Bloomberg Dollar Spot Index little changed Wednesday as market focus turns to US CPI data due Thursday. Speaking to lawmakers, Fed Chair Jerome Powell "did not give markets any further clues as to when the Fed might begin to ease interest rates – traders still see September as more likely than not – but did mention multiple times that high inflation is now not the only risk the Fed must be balancing," according to Monex analysts. "We expect to see continued albeit slow disinflation. In particular, price pressures should have stayed relatively elevated within services," said Julien Lafargue, chief market strategist at Barclays. "With increasing signs that the US economy is slowing down, we believe that the Fed could be in a position to lower interest rates in September." NOTE: Powell Not Prepared 'Yet' to Say He's Confident About Inflation. EUR/USD climbs 0.1% to 1.0819; EUR/NOK rallies 1.2% to 11.6081, touching 11.6214 earlier, highest level since May 21; Norway's underlying inflation rate fell to the lowest level in more than two years, raising prospects that the country's central bank could reduce borrowing costs before the end of this year. USD/NOK rose 1.4% to 10.7303, earlier touched 10.7360, highest since June 17; The New Zealand dollar fell after the nation's central bank said that the extent of policy tightening will be tempered over time, as it kept its benchmark rate unchanged. NZD/USD drops as much as 1% to 0.6065 as the dovish statement surprised markets AUD/NZD rises as much as 0.9% to 1.1103, highest since late October 2022. USD/JPY up 0.3% to 161.79, earlier reached 161.81, highest since July 3. "The Bank of Japan and Ministry of Finance have been very reluctant to commit more capital to intervention," Elsa Lignos, RBC's global head of foreign-exchange strategy, told Bloomberg Radio. "The yen is absolutely very cheap, we're seeing effectively this ongoing, creeping depreciation, if you like. But I'd be hesitant to pick out a level."

□ Chile and Colombia pesos outperform, along with currencies from Brazil and Mexico, as Federal Reserve Chairman Jerome Powell's testimony continued to fuel appetite for riskier assets. The Chilean peso jumped as much as 2.2% versus the dollar, bringing its month-to-date advance to 3% as copper prices rebounded. Currencies from Mexico and Colombia, which boast high interest rates, benefitted from the risk-on mood. The Brazilian real also gained as concerns over increased government spending abated when President Luiz Inacio Lula da Silva said his administration is committed to reducing the fiscal deficit. The Czech koruna led losses among emerging peers after a slowdown in price growth increased rate-cut bets. The MSCI Latin America stock gauge jumped for a third session to the highest in a month. That defies the trend for the asset class, as the broad emerging-market equities index dropped.

Key Market Levels for the Day

	S3	S2	S1	R1	R2	R3
USDINR SPOT	83.4050	83.4425	83.4875	83.5425	83.5825	83.6150

Nirmal Bang Securities - Bullion Technical Market Update

Gold Market Update



Market View	
Open	72530
High	72972
Low	72500
Close	72668
Value Change	270
% Change	0.37
Spread Near-Next	388
Volume (Lots)	4797
Open Interest	12301
Change in OI (%)	-2.24%

Gold - Outlook for the Day

BUY GOLD AUG (MCX) AT 72650 SL 72400 TARGET 72950/73150

Silver Market Update



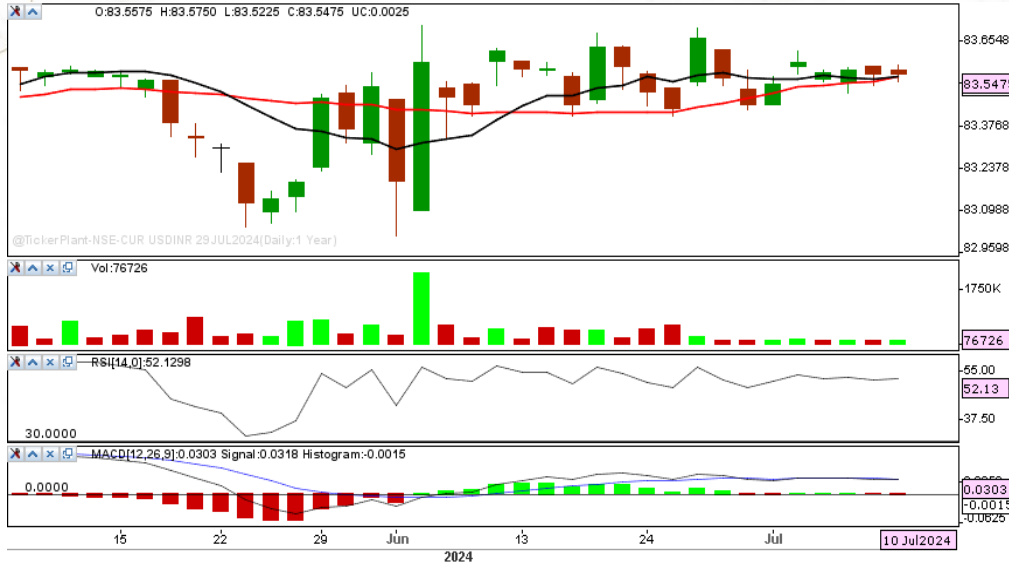
Market View	
Open	93073
High	93780
Low	92680
Close	92832
Value Change	-137
% Change	-0.15
Spread Near-Next	2727
Volume (Lots)	11867
Open Interest	23312
Change in OI (%)	-0.17%

Silver - Outlook for the Day

BUY SILVER SEPT (MCX) AT 92600 SL 92000 TARGET 93200/93600
SELL SILVER SEPT (MCX) AT 93600 SL 94200 TARGET 93000/92600

Nirmal Bang Securities - Currency Technical Market Update

USDINR Market Update



Market View	
Open	83.5575
High	83.5750
Low	83.5225
Close	83.5500
Value Change	0.0050
% Change	0.0060
Spread Near-Next	-0.2230
Volume (Lots)	76726
Open Interest	2468905
Change in OI (%)	0.03%

USDINR - Outlook for the Day

The USDINR future witnessed a flat opening at 83.55, which was followed by a session where price shows consolidation with negative buyer with candle closures near low. A small red candle formed by the USDINR price where price closed above short-term moving averages. The pair has trading in choppy range from last one month. On the daily chart, the MACD showed a negative crossover above zero-line, while the momentum indicator, RSI trailing between 49-53 levels showed positive indication. We are anticipating that the price of USDINR futures will fluctuate today between 83.50 and 83.60.

Key Market Levels for the Day

	S3	S2	S1	R1	R2	R3
USDINR JULY	83.4225	83.4950	83.5275	83.5725	83.6150	83.6575

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