



Daily Bullion Physical Market Report

Date: 12th May 2022

Daily India Spot Market Rates

Description	Purity	AM	PM
Gold	999	51045	51205
Gold	995	50841	51000
Gold	916	46575	46904
Gold	750	38284	38404
Gold	585	29861	29955
Silver	999	60733	61450

*Rate as exclusive of GST as of 11th April 2022 Gold is Rs/10 Gm & Silver in Rs/Kg

Gold and Silver 999 Watch

Date	GOLD*	SILVER*
11th May 2022	51205	61450
10th May 2022	51496	61473
09th May 2022	51479	61361
06th May 2022	51692	62530

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

COMEX Futures Watch

Description	Contract	Close	Change	%Chg
Gold(\$/oz)	JUNE 22	1853.70	12.70	0.69
Silver(\$/oz)	JULY 22	21.58	0.15	0.70

ETF Holdings as on Previous Close

ETFs	Long	Short
SPDR Gold	1,066.62	-2.03
iShares Silver	17,914.90	0.00

Gold and Silver Fix

Description	LTP
Gold London AM Fix(\$/oz)	1851.75
Gold London PM Fix(\$/oz)	1851.95
Silver London Fix(\$/oz)	21.79

Bullion Futures DGCX

Description	Contract	LTP
Gold(\$/oz)	JUNE 22	1852.6
Gold Quanto	JUNE 22	50842
Silver(\$/oz)	JULY 22	21.56

Gold Ratio

Gold Silver Ratio	85.92
Gold Crude Ratio	17.54

Weekly CFTC Positions

	Long	Short	Net
Gold(\$/oz)	144193	61257	82936
Silver	40664	25403	15261

MCX Indices

Index	Close	Net Change	% Chg
MCX iCOMDEX Bullion	14335.09	57.40	0.40%

Weekly CFTC Positions

Time	Country	Event	Forecast	Previous	Impact
12th May 06:00PM	United States	PPI m/m	0.5%	1.4%	HIGH
12th May 06:00PM	United States	Core PPI m/m	0.6%	1.0%	MEDIUM
12th May 06:00PM	United States	Unemployment Claims	190K	200K	MEDIUM



Nirmal Bang Securities - Daily Bullion News and Summary

❖ Gold climbed after hotter-than-expected US inflation fueled expectations the Federal Reserve will maintain a path of aggressive interest-rate hikes. The core consumer price index, which excludes food and energy, increased 0.6% from a month earlier and 6.2% from April 2021, exceeding the median forecasts of economists. Treasury yields spiked following the print, while the dollar initially rallied before giving up its gains. Spot gold fluctuated. Bullion has been under pressure as the Federal Reserve tightened monetary policy to fight accelerating consumer-price gains. That helped push bond yields higher and has propelled a gauge of the US currency up around 6% since the end of March, weighing on gold.

❖ Demand for jewelry in India took off on a strong note in the year started April, with robust sales during the auspicious gold-buying day of Akshaya Tritiya last week, Ramesh Kalyanaraman, executive director at Kalyan Jewellers India Ltd., said in an interview. Sales dropped in the January-March period because of resurgence in coronavirus cases and fluctuations in gold prices, he said, adding that demand has picked up again this quarter as price volatility and virus fears abate. Inflationary pressures won't hamper the jewelry business much because 60% of the revenues come from wedding-related purchases, which will remain buoyant as the number of days deemed auspicious for marriages is higher this year, and as people see jewelry as an investment.

❖ Investors in the world's top gold exchange-traded fund are rapidly pulling out their cash, as markets are roiled by the Federal Reserve's hawkish turn. In the last three weeks the SPDR Gold Trust has seen outflows equivalent to more than 38 tons of bullion, the biggest drop in over a year. The fund is preferred by large US institutions, who may be looking for better returns in the bond market as yields rise.

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❖ Federal Reserve officials face pressure for more aggressive action after a hotter-than-expected inflation reading for April, though so far officials are sticking with their strategy to keep raising interest rates by a half point at each of their next two meetings. "We've got a plan in place, which is 50 basis points at the last meeting and teeing that up for future meetings as well," St. Louis Fed President James Bullard said during an interview with Yahoo! Finance on Wednesday. "I think that's a good benchmark for now." Asked if a 75 basis point move might be necessary, Bullard said that was not his base case. Investors seem to agree that a 75 basis-point hike isn't likely, according to pricing in federal funds futures markets. But traders did increase bets that the Fed will roll out another half-point hike in September -- following increases of that size in June and July -- after a Labor Department report earlier showed that consumer prices excluding food and energy increased by more than forecast in April.

❖ Bonds rallied and yield curves flattened Thursday as investor concerns intensified that elevated inflation will spur central banks to tighten policy aggressively enough to risk setting off recessions. Treasury 10-year yields fell as much six basis points to 2.86%, the lowest this month, while similar-dated Australian yields dropped seven basis points. Shorter-dated notes underperformed. That shrank the gap between two- and 10-year Treasury yields to as little as 24 basis points, less than half as wide as it reached on Monday. The so-called bull-flattening in bonds saw traders boost bets on Federal Reserve interest-rate hikes, and added to the angst that Chair Jerome Powell will struggle to achieve his aim of cooling inflation without sparking a recession. U.S. annual inflation came in hotter than expected at 8.3% last month, in data released Wednesday. While that was slower than in March it's still among the highest readings in decades. The inflation data flew in the face of emerging speculation that the Fed could avoid becoming more hawkish after it increased borrowing costs by half a point last week in the biggest tightening move for more than 20 years. Powell had suggested after the meeting that additional moves of that size are likelier than the even larger hikes that traders had been contemplating.

❖ **Fundamental Outlook:** Gold and silver prices are trading slightly lower today on international bourses. We expect precious metals prices on Indian bourses to trade slightly higher for the day. We recommend buy on dips in intra-day trading sessions in precious metals as gold edged higher in Asia after jumping the most in a month on Wednesday as the U.S. reported hotter-than-expected inflation. The move bucked a trend that's seen bullion fall around 10% since early March as acceleration in consumer-price gains fueled expectations the Federal Reserve will aggressively tighten monetary policy.

Key Market Levels for the Day

Time	Month	S3	S2	S1	R1	R2	R3
Gold – COMEX	June	1790	1820	1840	1870	1888	1910
Silver – COMEX	July	21.00	21.22	21.40	21.88	22.10	22.40
Gold – MCX	June	50200	50400	50650	50900	51100	51350
Silver – MCX	July	59400	60000	60600	61200	61800	62350



Nirmal Bang Securities - Daily Currency Market Update

Dollar Index

LTP/Close	Change	% Change
103.85	-0.07	-0.07

Bond Yield

10 YR Bonds	LTP	Change
United States	2.9207	-0.0701
Europe	0.9830	-0.0140
Japan	0.2480	0.0010
India	7.2150	-0.0850

Emerging Market Currency

Currency	LTP	Change
Brazil Real	5.1378	0.0039
South Korea Won	1275.3	-0.8000
Russia Rubble	118.6895	-
Chinese Yuan	6.7217	-0.013
Vietnam Dong	22993	46
Mexican Peso	20.314	-0.0772

NSE Currency Market Watch

Currency	LTP	Change
NDF	77.66	0.02
USDINR	77.4125	-0.035
JPYINR	59.7125	0.0475
GBPINR	95.55	-0.1125
EURINR	81.7375	-0.085
USDJPY	129.65	-0.17
GBPUSD	1.2343	-0.0007
EURUSD	1.0559	-0.0005

Market Summary and News

❖ Sovereign bonds in India rallied amid speculation the central bank may soon buy debt to cap surging yields. The yield on the benchmark 10-year bond dropped as much as ten basis points to 7.20% after plunging 17 basis points on Tuesday as speculation mounted. The Reserve Bank of India is caught between its desire to contain inflation by raising rates, while at the same time managing record debt sales of 14.31 trillion rupees (\$185.3 billion) for a government seeking to speed up an economic recovery. Reuters reported earlier this week that the administration has asked the RBI to conduct open-market operations. There is an expectation in the market that RBI will take appropriate measures to bring down yields. The RBI could do either outright open-market operations or a bond switch. With the central bank tightening policy and set to raise rates more, there is concern over demand for debt in the absence of foreign interest. Yet acting to lower bond yields would be contrary to its attempts to drain liquidity from the market. The nation's benchmark yields have declined about 25 basis points in two days, the biggest two-day drop since May 2020. They surged 31 basis points last week after the RBI stunned the markets with an out of cycle rate hike.

❖ The Reserve Bank of India is once again seeking to defend its currency when the Federal Reserve is tightening. This time though, analysts expect it to mount a more limited defense, aimed at fending off the worst of speculative attacks rather than holding down a line in the sand when capital flows are shifting globally with the Fed set to hike throughout the year. The RBI will be careful to fight cavalier speculators, and not the Fed. That is to say, prudence warns against trying to defy broad-based dollar trends. After all, a \$600 billion plus reserve coffer is harder to build than it is to burn. Such a strategy may entail the RBI doing just limited intervention as it seeks to preserve ammunition amid a broad dollar rally fueled by expectations of aggressive monetary tightening by the Federal Reserve. The RBI's stated objective remains to curb excessive currency volatility and in recent weeks reserves have fallen, indicating market intervention. The rupee slid to a record low of 77.53 per dollar on Monday as the greenback continued its rise and amid elevated crude prices, which is threatening to widen the trade deficit to unprecedented levels. Foreign funds have been pulling out of the nation's equities at a record pace and a central bank that held back on policy tightening till last week hasn't helped matters. Yet, the rupee's moves have been orderly over the past month when compared to its emerging Asian peers. The currency is down nearly 4% this year and is in the middle of the Asian pack. It gained 0.2% to 77.32 to a dollar on Tuesday.

❖ India's central bank is intervening in all foreign-exchange markets including the offshore markets and will continue to do so to protect the rupee that slid to a record low Monday, Bloomberg News reported, citing a person familiar with the matter. A central bank spokesperson wasn't immediately available for comment. The nation's Forex reserves stood at \$598 billion, latest data showed. While that is down 7% from a record high of over \$640 billion in September due to a mix of intervention and valuation changes, it still fares well on key metrics, including import coverage and short-term debt obligation. Compared to the onset of the taper tantrum episode when India ran a current-account deficit of nearly 5% of the gross domestic product, the gap is estimated to be the half of that in the current fiscal year. The rupee had plunged to a series of record lows in 2013 as reserves fell to below \$275 billion with speculators hammering the currency in the offshore markets, and which spilled over to onshore rates.

Key Market Levels for the Day

	S3	S2	S1	R1	R2	R3
USDINR Spot	76.5500	76.8000	77.0000	77.4500	77.5800	77.6700



Nirmal Bang Securities - Bullion Technical Market Update

Gold Market Update



Market View	
Open	50449
High	50888
Low	50322
Close	50822
Value Change	236
% Change	0.47
Spread Near-Next	271
Volume (Lots)	6725
Open Interest	7832
Change in OI (%)	-7.49%

Gold - Outlook for the Day

Gold prices trading negative and will face strong resistance around 1870-90 zone; where we can go short for the target of 1830-1820.

BUY GOLD JUNE (MCX) AT 50650 SL 50400 TARGET 50900/51100

Silver Market Update



Market View	
Open	60525
High	61574
Low	60224
Close	60752
Value Change	134
% Change	0.22
Spread Near-Next	0
Volume (Lots)	16384
Open Interest	15762
Change in OI (%)	-3.64%

Silver - Outlook for the Day

Silver too can see some correction till 21.20-21. We are recommending buying on dips for target 22.00 for the day.

BUY SILVER JULY (MCX) AT 60600 SL 60000 TARGET 61300/61800



Nirmal Bang Securities - Currency Technical Market Update

USDINR Market Update



Market View	
Open	77.4175
High	77.44
Low	77.2825
Close	77.4125
Value Change	-0.035
% Change	-0.05
Spread Near-Next	0
Volume (Lots)	2158019
Open Interest	4278375
Change in OI (%)	-2.03%

USDINR - Outlook for the Day

USDINR witnessed a weak open with testing the lows of 77.44. The pair then retreated from the lows to give a flat closure in green at 77.41. USDINR has formed a flat red candle with closure in lower lows and highs. The pair has given closure above short, medium and long term moving average supporting the green momentum. USDINR, if trades below 77.38, the momentum will trade on a weaker note towards 77 – 76.75. But momentum above 77.52 would lead momentum towards 77.95. The daily strength indicator RSI and momentum oscillator Stochastic both are in the positive zone indicating supportive for the pair.

Key Market Levels for the Day

	S3	S2	S1	R1	R2	R3
USDINR May	76.8800	77.0500	77.2500	77.5800	77.6500	77.8800



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Since 1919



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