



Daily Bullion Physical Market Report

Date: 16th May 2022

Daily India Spot Market Rates

Description	Purity	AM	PM
Gold	999	50387	50465
Gold	995	50185	50263
Gold	916	46154	46226
Gold	750	37790	37849
Gold	585	29476	29522
Silver	999	59207	59106

*Rate as exclusive of GST as of 13th April 2022 Gold is Rs/10 Gm & Silver in Rs/Kg

Gold and Silver 999 Watch

Date	GOLD*	SILVER*
13th May 2022	50465	59106
12th May 2022	51118	59796
11th May 2022	51205	61450
10th May 2022	51496	61473

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

COMEX Futures Watch

Description	Contract	Close	Change	%Chg
Gold(\$/oz)	JUNE 22	1808.20	-29.10	-1.57
Silver(\$/oz)	JULY 22	21.00	-0.80	-3.72

ETF Holdings as on Previous Close

ETFs	Long	Short
SPDR Gold	1,055.89	-4.93
iShares Silver	17,742.64	0.00

Gold and Silver Fix

Description	LTP
Gold London AM Fix(\$/oz)	1824.20
Gold London PM Fix(\$/oz)	1811.55
Silver London Fix(\$/oz)	20.84

Bullion Futures DGCX

Description	Contract	LTP
Gold(\$/oz)	JUNE 22	1806.7
Gold Quanto	JUNE 22	49893
Silver(\$/oz)	JULY 22	21.02

Gold Ratio

Gold Silver Ratio	86.10
Gold Crude Ratio	16.37

Weekly CFTC Positions

	Long	Short	Net
Gold(\$/oz)	135560	61669	73891
Silver	39860	38156	1704

MCX Indices

Index	Close	Net Change	% Chg
MCX iCOMDEX Bullion	14130.86	-25.31	-0.18%

Weekly CFTC Positions

Time	Country	Event	Forecast	Previous	Impact
16th May 06:00PM	United States	Empire State Manufacturing Index	15.3	24.6	MEDIUM
16th May 06:25PM	United States	FOMC Member Williams Speaks	-	-	LOW



Nirmal Bang Securities - Daily Bullion News and Summary

❖ Gold headed for the biggest weekly drop in close to a year, pressured by a stronger dollar amid expectations for aggressive monetary tightening. Bullion fell on Friday to the lowest since early February as Treasury yields rose, adding to Thursday's 1.7% drop after a report showed US producer prices rose more than expected in April. The Labor Department data reinforcing expectations that the Federal Reserve will maintain its path of rapid interest rate rises to slow an overheating economy. The yield on 10-year US government bonds has dropped this week, which would normally support demand for non-interest bearing gold. But the metal's appeal has been hurt by a rally in the greenback, which is set to strengthen for a sixth straight week amid losses across risk assets.

❖ Exchange-traded funds cut 230,429 troy ounces of gold from their holdings in the last trading session, bringing this year's net purchases to 7.55 million ounces, according to data compiled by Bloomberg. This was the sixth straight day of declines. The sales were equivalent to \$419.8 million at yesterday's spot price. State Street's SPDR Gold Shares, the biggest precious-metals ETF, pared its holdings by 186,560 ounces in the last session. ETFs also cut 5.41 million troy ounces of silver from their holdings in the last trading session, bringing this year's net purchases to 10.9 million ounces. This was the biggest one-day decrease since Oct. 18, 2021.

❖ The government of Guinea wants to know what happened to three tons of its gold. The answer may lie in London. In March, Guinean authorities arrested a former head of the central bank and charged him with embezzlement after the custodian of the gold, Belgian refiner Affinor BVBA, said it was unable to return it. The arrest of Lounceny Nabe cast a new light on a previously unreported court ruling in London that showed the refiner, which held and sold the gold, had already faced scrutiny by UK police in a money-laundering case. Millions of Euros the firm said it made from trading Guinea's gold was transferred to bank accounts around the world, some of which could be linked back to the refiner. It prompted prosecutors to say there was "overwhelming evidence that the money was unlawfully obtained from international money laundering." And it led to the seizure last year of 34 million Euros (\$35.2 million) in the country's biggest forfeiture of crime proceeds. Now, worry is building in Guinea about the safety of its gold. And a murky deal stretching across three continents is raising questions about money laundering in London's bullion market, where trillions of dollars in precious metals trade each year.

❖ Money managers have decreased their bullish gold bets by 9,045 net-long positions to 73,891, weekly CFTC data on futures and options show. The net-long position was the least bullish in 14 weeks. Long-only positions fell 8,633 lots to 135,560 in the week ending May 10. The long-only total was the lowest in more than three months. Short-only positions rose 412 lots to 61,669. The short-only total was the highest in almost seven months. Money managers have decreased their bullish silver bets by 13,557 net-long positions to 1,704, weekly CFTC data on futures and options show. The net-long position was the least bullish in more than seven months. Long-only positions fell 804 lots to 39,860 in the week ending May 10. The long-only total was the lowest in almost two years. Short-only positions rose 12,753 lots to 38,156. The short-only total was the highest in 21 weeks.

❖ Federal Reserve Bank of Cleveland President Loretta Mester backed raising interest rates by half percentage points at the central bank's next two policy meetings in order to tamp down surging inflation. "Unless there are some big surprises, I expect it to be appropriate to raise the policy rate another 50 basis points at each of our next two meetings," Mester said Friday in prepared remarks for a virtual appearance at the International Research Forum on Monetary Policy. Central bankers raised interest rates by a half point at their meeting earlier this month and Chair Jerome Powell told reporters that similar moves were on the table at their next two meetings, in June and July. Mester, who votes on monetary policy this year, said that once they got to September, the policy-setting Federal Open Market Committee should assess if it needs to do more to restrain inflation, which is running at the highest levels in 40 years.

❖ Goldman Sachs Senior Chairman Lloyd Blankfein urged companies and consumers to gird for a US recession, saying it's a "very, very high risk." "If I were running a big company, I would be very prepared for it," Blankfein said on CBS's "Face the Nation" on Sunday. "If I was a consumer, I'd be prepared for it." A recession is "not baked in the cake" and there's a "narrow path" to avoid it, he said. The Federal Reserve has "very powerful tools" to tamp down inflation and has been "responding well," the former Goldman chief executive officer said. With high fuel prices and a shortage of baby formula tangible measures of Americans' unease, US consumer sentiment declined in early May to the lowest level since 2011. US consumer prices rose 8.3% in April from a year ago, slowing slightly from March but still among the fastest rate in decades. Blankfein's comments were broadcast the same day as the firm's economists cut their U.S. growth forecasts for this year and next to reflect the recent shake-out in financial markets. Goldman's economic team, led by Jan Hatzius, now expects U.S. gross domestic product to expand 2.4% this year, down from 2.6%. It reduced its 2023 estimate to 1.6% from 2.2%.

❖ **Fundamental Outlook:** Gold and silver prices are trading mix today on international bourses. We expect precious metals prices on Indian bourses to trade sideways to slightly positive for the day. We recommend buying on dips in gold and silver in intra-day trading sessions in precious metals as bullions steadied, with investors waiting to see if the dollar maintains the strength that drove the precious metal's biggest weekly decline in almost a year.

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	20.30	20.55	20.80	21.20	21.45	21.70
Gold – MCX	June	49350	49550	49800	50000	50200	50450
Silver – MCX	July	57500	58200	58800	59500	60000	60600



Nirmal Bang Securities - Daily Currency Market Update

Dollar Index

LTP/Close	Change	% Change
104.56	1.01	0.97

Bond Yield

10 YR Bonds	LTP	Change
United States	2.9185	0.0706
Europe	0.9440	0.1070
Japan	0.2460	-0.0020
India	7.3180	0.0750

Emerging Market Currency

Currency	LTP	Change
Brazil Real	5.061	-0.0738
South Korea Won	1284.15	-4.3500
Russia Rubble	118.6895	-
Chinese Yuan	6.7892	0.0029
Vietnam Dong	23095	8
Mexican Peso	20.107	-0.1409

NSE Currency Market Watch

Currency	LTP	Change
NDF	77.7	0.03
USDINR	77.5475	0.01
JPYINR	60.185	-0.1525
GBPINR	94.6725	-0.0275
EURINR	80.665	-0.2975
USDJPY	128.96	0.45
GBPUSD	1.2205	-0.0011
EURUSD	1.0405	-0.0044

Market Summary and News

❖ India's headline inflation accelerated for a seventh month to the fastest since May 2014 on higher fuel and food costs, spurring expectations the central bank will raise rates further to tame prices. Consumer prices increased 7.79% in April, the Central Statistics Office said in a statement Thursday. Inflation has been running ahead of the Reserve Bank of India's 2%-6% target range for four straight months. Governor Shaktikanta Das has since last month stressed the need to prioritize slow price gains over supporting growth, and the bank announced a surprise rate hike last week. The stage is set for a likely further rate hike at the RBI's next meeting in June, when it's expected to revise up its 5.7% inflation forecast for the current April-March fiscal year. High inflation may force the RBI to raise rates by 75 to 100 basis points over the course of the fiscal year. Inflation will likely stay above 6% until September. Indian bonds declined as the fastest price growth in eight years fanned expectations of steep interest rate increases by the central bank. The rupee drops for a second successive week. 10-year yields rose 8bps to close at 7.32% on Friday; still down 13bps this week on speculation stoked by reports that the RBI may step in to cool yields. With these kind of inflation numbers, the market will start expecting a 50 basis point rate hike in June, which is driving yields up. The potential for front-ended rate hikes is causing short-end bonds to react more. 10-year yields can easily touch 7.50% in the near-term. With the inflation print, the market is now expecting 40-50 bps of hike in the June policy. RBI could follow up with at least one 50bps rate hike starting with the June policy meeting, and then slow the cycle in August to 25bps hike thus raising policy rates to 5.15% by August, and expect it to reassess macroeconomic momentum to gauge the need for further hikes beyond that.

❖ "Although inflation is expected to remain high in 2022, there are no structural reasons why it should not converge toward the medium-term objective as imbalances are gradually resolved and uncertainty dissipated. There are currently no structural signs of de-anchoring of the inflation prospect," European Central Bank Governing Council member Mario Centeno says at a conference in Lisbon. She stated that when the post-pandemic economic recovery started to be a given, the invasion of Ukraine by Russia created an economic, social and geopolitical framework of high unpredictability. For this reason, the European economy is simultaneously facing two large exogenous shocks that are unprecedented in recent history. These are two overlapping shocks, conditioning the prospects for economic growth and introducing inflationary pressures. The normalization of monetary policy is necessary and desired. But it must occur in conditions so that it is carried out in such a way that it is not itself a phenomenon and a reason for instability. Patience and gradualism in monetary policy are necessary and must be proportional to the shocks we face. Monetary policy must not overreact. But don't get the idea that doing nothing is a solution. In fact, the absence of a monetary policy reaction or even the perception that there isn't a sufficiently vigorous response may require an aggressive tightening of monetary policy further ahead to control inflation. If that happened, it would inevitably have increased costs in terms of activity and employment.

❖ The dollar is ruling global markets in the dash for safety. As stocks, bonds and commodities plummeted on Monday, an index of the dollar continued its relentless advance to a two-year high. The currency is an indisputable haven in a market that's being thrashed by accelerating inflation, worries about a recession and China's Covid lockdowns. Market positioning data shows the dollar is drawing in more adherents. Hedge funds boosted long bets to the highest this year, according to data from the Commodity Futures Trading Commission in the week to May 6.

Key Market Levels for the Day

	S3	S2	S1	R1	R2	R3
USDINR Spot	77.0000	77.1500	77.3000	77.6500	77.7800	77.9500



Nirmal Bang Securities - Bullion Technical Market Update

Gold Market Update



Market View	
Open	50067
High	50249
Low	49670
Close	49873
Value Change	-301
% Change	-0.6
Spread Near-Next	199
Volume (Lots)	7464
Open Interest	7066
Change in OI (%)	-5.89%

Gold - Outlook for the Day

We are recommending to go long in gold since prices are nearing its support zone of 1800 levels. Buy on dips 1800-1790 for target 1850-60.

SELL GOLD JUNE (MCX) AT 50500 SL 50700 TARGET 50200/50000

SELL GOLD JUNE (MCX) AT 50400 SL 50600 TARGET 50100/50000

Silver Market Update



Market View	
Open	58954
High	59481
Low	58192
Close	59332
Value Change	581
% Change	0.99
Spread Near-Next	0
Volume (Lots)	14650
Open Interest	16986
Change in OI (%)	-7.67%

Silver - Outlook for the Day

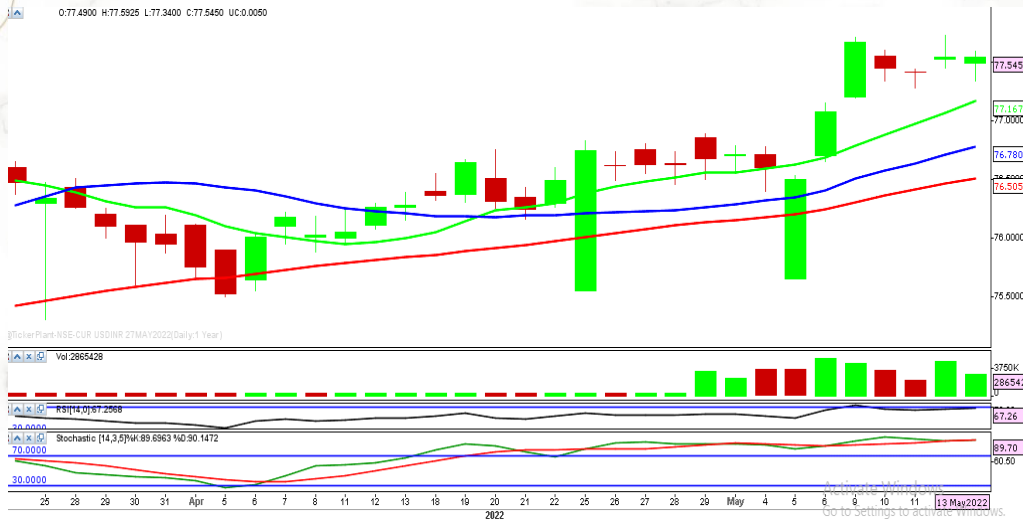
Silver too supportive around 20.70-60 ,where you can buy for target 21.30-40.

BUY SILVER JULY (MCX) AT 58600 SL 58000 TARGET 59300/59800



Nirmal Bang Securities - Currency Technical Market Update

USDINR Market Update



Market View	
Open	77.49
High	77.5925
Low	77.34
Close	77.5475
Value Change	0.01
% Change	0.01
Spread Near-Next	0
Volume (Lots)	2865428
Open Interest	4674272
Change in OI (%)	-0.51%

USDINR - Outlook for the Day

USDINR witnessed a weak open at 77.59 and remained depressed for the finest half testing the lows at 77.34 with closure in green at 77.55. USDINR has formed a green candle with long lower shadow indicating support from lower lows. The pair has given closure above short, medium and long term moving average supporting the green momentum. USDINR, if trades below 77.48 the momentum will trade on a weaker note towards 77.25 – 77. But momentum above 77.68 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	77.0000	77.2500	77.4500	77.6800	77.8800	78.0000



beyond powered by  **NIRMAL BANG**
a relationship beyond broking

**Indian Bullion and
Jewellers Associations Ltd.**
Since 1919



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

This Document has been prepared by Nirmal Bang Securities Pvt. Ltd. The information, analysis and estimates contained herein are based on Nirmal Bang Securities Research assessment and have been obtained from sources believed to be reliable. This document is meant for the use of the intended recipient only. This document, at best, represents Nirmal Bang Securities Research opinion and is meant for general information only. Nirmal Bang Securities Research, its directors, officers or employees shall not in any way be responsible for the contents stated herein. Nirmal Bang Securities Research expressly disclaims any and all liabilities that may arise from information, errors or omissions in this connection. This document is not to be considered as an offer to sell or a solicitation to buy any securities. Nirmal Bang Securities Research, its affiliates and their employees may from time to time hold positions in securities referred to herein. Nirmal Bang Securities Research or its affiliates may from time to time solicit from or perform investment banking or other services for any company mentioned in this document.

**Address: Nirmal Bang Securities Pvt. Ltd., B2, 301 / 302, 3rd Floor, Marathon Innova,
Opp. Peninsula Corporate Park, Ganpatrao Kadam Marg,
Lower Parel (W), Mumbai - 400 013, India**