

Daily Bullion Physical Market Report

Date: 18th July 2024

Daily India Spot Market Rates

Description	Purity	AM	PM
Gold	999	73131	73339
Gold	995	72838	73045
Gold	916	66988	67179
Gold	750	54848	55004
Gold	585	42782	42903
Silver	999	91802	92014

Rate as exclusive of GST as of 16th July 2024 Gold is Rs/10 Gm & Silver in Rs/Kg

Gold and Silver 999 Watch

Date	GOLD*	SILVER*
16 th July 2024	73339	92014
15 th July 2024	72932	91835
12 th July 2024	72664	91827
11 th July 2024	72563	92204

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

COMEX Futures Watch

Description	Contract	Close	Change	%Chg
Gold(\$/oz)	AUG 24	2459.90	-7.90	-0.32
Silver(\$/oz)	SEPT 24	30.38	-1.08	-3.44

ETF Holdings as on Previous Close

ETFs	In Tonnes	Net Change
SPDR Gold	842.02	5.49
iShares Silver	13,482.74	0.00

Gold and Silver Fix

Description	LTP
Gold London AM Fix(\$/oz)	2470.35
Gold London PM Fix(\$/oz)	2480.25
Silver London Fix(\$/oz)	30.92

Bullion Futures DGCX

Description	Contract	LTP
Gold(\$/oz)	AUG 24	2463.7
Gold Quanto	AUG 24	74157
Silver(\$/oz)	SEPT 24	30.51

Gold Ratio

Description	LTP
Gold Silver Ratio	80.98
Gold Crude Ratio	29.69

Weekly CFTC Positions

	Long	Short	Net
Gold(\$/oz)	209035	17432	191603
Silver	56064	16261	39803

MCX Indices

Index	Close	Net Change	% Chg
MCX iCOMDEX Bullion	19093.12	-139.01	-0.73 %

Macro-Economic Indicators

Time	Country	Event	Forecast	Previous	Impact
18 th July 05:45 PM	Europe	Main Refinancing Rate	4.25%	4.25%	High
18 th July 05:45 PM	Europe	Monetary Policy Statement	-	-	High
18 th July 06:00 PM	United States	Unemployment Claims	229K	222K	High
18 th July 06:00 PM	United States	Philly Fed Manufacturing Index	2.7	1.3	Medium
18 th July 06:15 PM	Europe	ECB Press Conference	-	-	High
18 th July 07:30 PM	United States	CB Leading Index m/m	-0.3%	-0.5%	Low
18 th July 11:15 PM	United States	FOMC Member Logan Speaks	-	-	Low

Nirmal Bang Securities - Daily Bullion News and Summary

❖ Gold retreated from an all-time high on Wednesday as traders assessed their bets on Federal Reserve rate cuts, while weighing the uncertain political outlook in the US. Bullion climbed to an all-time high of \$2,483.73 an ounce on Wednesday, before erasing gains. Gold had rallied 1.9% Tuesday to surpass a record high set in May as traders piled into bets for earlier, deeper rate cuts from the Fed amid increasing signs that inflation is cooling toward the central bank's target. Lower borrowing costs tend to benefit the precious metal as it yields no interest. Fed Governor Christopher Waller said Wednesday the economy is getting closer to a point where the central bank can reduce borrowing costs, but indicated he'd like to see a "bit more evidence" inflation is on a sustained downward path. He adds to a growing chorus of officials who have signaled that they are moving closer to cutting rates, though most — including Chair Jerome Powell — have stopped short of offering guidance on the exact timing of such a move. Gold has soared nearly 20% this year, supported by large purchases from central banks, strong consumer appetite in China and demand for haven assets amid geopolitical tensions. Momentum-focused players are reemerging as a key driver of gold amid a more bullish environment. July gold exchange-traded funds holdings were up 0.9% as of Tuesday, with net inflows at 749,141 ounces, according to data compiled by Bloomberg. That was an early indication that ETF investors, who have largely been net sellers of gold over the past three years, may have warmed up to bullion as chances of an imminent rate cut are increasing greatly. Still, there are signs that the rally is overextended.

❖ Exchange-traded funds added 130,784 troy ounces of gold to their holdings in the last trading session, bringing this year's net sales to 3.78 million ounces, according to data compiled by Bloomberg. This was the fourth straight day of growth. The purchases were equivalent to \$322.9 million at yesterday's spot price. Total gold held by ETFs fell 4.4 percent this year to 81.8 million ounces, the highest level since April 9. Gold advanced 20 percent this year to \$2,469.08 an ounce and by 1.9 percent in the latest session. State Street's SPDR Gold Shares, the biggest precious-metals ETF, boosted its holdings by 176,610 ounces in the last session. The fund's total of 27.1 million ounces has a market value of \$66.8 billion. ETFs also added 46,747 troy ounces of silver to their holdings in the last trading session, bringing this year's net sales to 13.2 million ounces.

❖ Gold looks to be finally moving in a different direction to the dollar, surging higher this month while the greenback retreats. Bullion's record-breaking run toward \$2,500 looks set to extend as it benefits from both increasing political uncertainty and expectations for rapid Fed rate cuts. Trump's pronouncements in favor of import tariffs and a weaker dollar are likely to spur even more interest in gold from central banks, and further revive the precious metal's allure as a store of value which has delivered better than 9%/year returns over the past 20 years, putting US Treasuries (2.7% a year) and many other supposed havens in the shade. And while gold's advance this year was mostly indifferent to flip-flops on Fed expectations, the apparent certainty that the US central bank is about to ease policy is bringing down the dollar despite initial bets that a Trump victory in the November election would drive a stronger greenback. That means bullion is also set to build on this year's gains as the Fed cuts. It may even do just fine if there's another policy flip-flop.

❖ Federal Reserve Governor Christopher Waller said the economy is getting closer to a point where the central bank can reduce borrowing costs but indicated he'd like to see a "bit more evidence" inflation is on a sustained downward path. "Current data are consistent with achieving a soft landing, and I will be looking for data over the next couple months to buttress this view," Waller said in prepared remarks Wednesday at the Kansas City Fed. "While I don't believe we have reached our final destination, I do believe we are getting closer to the time when a cut in the policy rate is warranted." Waller adds to a growing chorus of officials — including Chair Jerome Powell and New York Fed President John Williams — who have signaled the central bank is moving closer to cutting rates but is not ready to do so quite yet. Policymakers will meet next on July 30-31, but investors are betting they won't begin rate reductions until their September gathering. Waller, like most of his colleagues, didn't offer guidance on the exact timing of such a move. Instead, he walked through how different scenarios could alter the path of policy. The most likely, he said, is that inflation comes in "uneven" — not as good as recent reports but still consistent with overall progress toward bringing inflation down to the 2% target. A rate cut in the near future is more uncertain in that scenario, he said. Another potential path, however, is that inflation data continued to be "very favorable." In that case, Waller said, "I could envision a rate cut in the not-too-distant future." After a first-quarter pickup in price pressures, recent data have shown slowing inflation. The jobs market is still showing steady gains, but unemployment has gradually ticked higher.

❖ The US economy grew at a slight pace heading into the third quarter, with a number of regions noting flat or declining activity, the Federal Reserve said in its Beige Book survey of regional business contacts. Employment also increased only slightly, according to the report Wednesday. Labor turnover declined, and contacts in several districts expect to be more selective about who they hire and not backfill all open positions. The latest edition of the Beige Book was compiled by the Federal Reserve Bank of Richmond using information gathered on or before July 8. The report includes anecdotes and commentary on business conditions in each of the 12 Fed districts. Of the districts, five noted flat or declining economic activity — three more than the prior period. Looking ahead, businesses expected the slowing to continue. "Expectations for the future of the economy were for slower growth over the next six months due to uncertainty around the upcoming election, domestic policy, geopolitical conflict, and inflation," the report said. Wages grew at a modest to moderate pace in most districts, though prices rose modestly overall. Consumer spending showed little to no change. Nearly every district "mentioned retailers discounting items or price-sensitive consumers only purchasing essentials, trading down in quality, buying fewer items, or shopping around for the best deals," the report said.

Fundamental Outlook: Gold and silver prices are trading slightly higher today on the international bourses. We expect gold and silver prices to trade ranger-bound to slightly higher for the day, as gold prices were steady in early Asia hours, after dipping on Wednesday from its new record amid signs that the rally had reached overextended levels. The precious metal has seen rapid gains this month as markets ramped up bets on earlier, deeper monetary easing from the Fed following several soft inflation readings.

Key Market Levels for the Day

Time	Month	S3	S2	S1	R1	R2	R3
Gold – COMEX	August	2410	2440	2465	2485	2510	2535
Silver – COMEX	September	30.10	30.35	30.60	30.75	31.00	31.20
Gold – MCX	August	73600	73900	74200	74400	74700	75000
Silver – MCX	September	90800	91500	92200	92500	93200	93850

Nirmal Bang Securities - Daily Currency Market Update

Dollar Index

LTP/Close	Change	% Change
103.75	-0.52	-0.50

Bond Yield

10 YR Bonds	LTP	Change
United States	4.1576	-0.0001
Europe	2.4190	-0.0060
Japan	1.0410	0.0120
India	6.9630	-0.0140

Emerging Market Currency

Currency	LTP	Change
Brazil Real	5.4826	0.0537
South Korea Won	1380.2	-5.3000
Russia Rubble	88.6001	0.2000
Chinese Yuan	7.2621	-0.0064
Vietnam Dong	25348	-32.0000
Mexican Peso	17.7004	0.0335

NSE Currency Market Watch

Currency	LTP	Change
NDF	83.67	-0.0100
USDINR	83.605	-0.0225
JPYINR	52.605	-0.2450
GBPINR	108.375	-0.1200
EURINR	91.115	-0.1200
USDJPY	158.15	0.5000
GBPUSD	1.2964	-0.0014
EURUSD	1.0908	-0.0007

Market Summary and News

❖ A Bloomberg gauge of the dollar fell to the lowest level since May as investors assessed the prospects for the currency under a potential Donald Trump administration. The yen advanced, leading gains versus the greenback among Group-of-10 peers. Bloomberg Dollar Spot Index falls as much as 0.4% to 1246.92, weakest level since May 28; gauge is down for nine of 13 trading days so far in July. In an interview with Bloomberg Businessweek, Trump said that "we have a big currency problem because the depth of the currency now in terms of strong dollar/weak yen, weak yuan, is massive." "The Trump comments appear to be the main catalyst behind today's dollar slide — they seem to have come as a bit of a shock after markets spent the last few weeks assuming that a Trump victory would simply equate to a stronger dollar," said Nick Rees, a foreign-exchange analyst at Monex Europe. "Looks like Trump's comments have knocked FX markets out of their recent stupor." The dollar's strength is "known as the exorbitant privilege, but it's starting to be seen as an exorbitant burden," Freya Beamish, TS Lombard's chief economist and head of macro research, told Bloomberg Television Wednesday. "The question then becomes what can he do to weaken the dollar, and that's a much more threatening thing to markets." USD/JPY trades at session low, down 1.4% to 156.10, weakest since June 12. The pair heads for its first close below the 55-DMA in four months. Two-week risk reversals trade around 219 basis points in favor of the yen, heading for the most bullish close since late April, as the tenor now captures the next Bank of Japan meeting. Trump's comment on the yuan and yen "does support the impression that has been developing around the Trump team that a strong USD may be something Trump 2.0 would push back on," wrote Scotiabank's Shaun Osborne in a Wednesday note. GBP/USD rises 0.3% to 1.3009, paring earlier advance, but trades above 1.30 handle for first time in a year. Traders pared bets on a Bank of England interest rate cut next month, pricing a roughly 38% chance of a quarter-point reduction, down from just under 50% on Tuesday. USD/CHF down 1.2% to session low 0.8830, biggest drop since April 19; USD/CHF risk reversals also jump in favor of puts, most bearish for pair since July 1. EUR/USD gains 0.4% to 1.0939, highest since March 21.

❖ Latin American currencies were some of the worst-performers among their emerging-market peers on Wednesday as a rally in the Japanese yen undermined carry trades. The benchmark index of developing nation currencies was at little changed as of 4:27 p.m. in New York; currencies from Colombia, South Africa, Brazil and Chile were among the gauge's losers. Mexico, Colombia, Brazil and Chile face significant losses as carry trades in the region suffer with the Japanese yen strengthening. The yen serves as a popular funding currency for carry trades in Latin American FX and other emerging markets; investors borrow in lower-yielding currencies to invest in those that offer higher yields. The unwinding of those trades adds pressure on emerging markets and Latin America, a favorite among carry traders for the past two years. Thailand's baht, Hungary's forint and the Czech koruna strengthened against the greenback. Thai lawmakers have started discussing Prime Minister Srettha Thavisin's request for an additional 122 billion baht (\$3.4 billion) budget to help fund the government's flagship stimulus plan. Hungary's forint is holding onto recent gains after central bank guidance Monday that increased the probability of a rate cut as soon as next week; the forint's strength may help sway authorities toward a cut versus a pause. The MSCI gauge for emerging-market stocks fell for a fourth session, sliding some 0.5%; the index was pushed lower by shares of Taiwan Semiconductor, SK Hynix Inc. and Tencent Holdings Ltd. TSMC's slide on Wednesday came after Donald Trump questioned whether the US has a duty to defend Taiwan; Trump's push for tariffs during a potential second term may also push EM stocks down. President Biden's team has told allies that it's considering using the most severe trade restrictions available if companies such as Tokyo Electron and ASML continue giving China access to advanced semiconductor technology. The US is also weighing additional sanctions on specific Chinese chip companies linked to Huawei Technologies Co.

Key Market Levels for the Day

	S3	S2	S1	R1	R2	R3
USDINR SPOT	83.4550	83.5125	83.5675	83.6025	83.6425	83.6950

Nirmal Bang Securities - Bullion Technical Market Update

Gold Market Update



Market View	
Open	74259
High	74731
Low	74068
Close	74137
Value Change	-136
% Change	-0.18
Spread Near-Next	410
Volume (Lots)	4113
Open Interest	13007
Change in OI (%)	-0.92%

Gold - Outlook for the Day

BUY GOLD AUG (MCX) AT 73900 SL 73600 TARGET 74200/74400
SELL GOLD AUG (MCX) AT 74450 SL 74750 TARGET 74150/73900

Silver Market Update



Market View	
Open	93402
High	93575
Low	91620
Close	91942
Value Change	-1918
% Change	-2.04
Spread Near-Next	2675
Volume (Lots)	20189
Open Interest	24093
Change in OI (%)	2.94%

Silver - Outlook for the Day

SELL SILVER JULY (MCX) AT 92700 SL 93500 TARGET 92000/91500

Nirmal Bang Securities - Currency Technical Market Update

USDINR Market Update



Market View	
Open	83.6250
High	83.6250
Low	83.5900
Close	83.6050
Value Change	-0.0225
% Change	-0.0269
Spread Near-Next	-0.2780
Volume (Lots)	79082
Open Interest	2456802
Change in OI (%)	0.00%

USDINR - Outlook for the Day

The USDINR future witnessed a flat opening at 83.62, which was followed by a session where price shows minimal selling from higher level with candle closures near low. An inside bar 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 positive 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 83.54 and 83.66.

Key Market Levels for the Day

	S3	S2	S1	R1	R2	R3
USDINR JULY	83.5025	83.5450	83.5875	83.6325	83.6850	83.7275

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