

Daily Bullion Physical Market Report

Date: 19th July 2024

Daily India Spot Market Rates

Description	Purity	AM	PM
Gold	999	74065	73979
Gold	995	73768	73683
Gold	916	67844	67765
Gold	750	55549	55484
Gold	585	43328	43278
Silver	999	91614	91555

Rate as exclusive of GST as of 18th July 2024 Gold is Rs/10 Gm & Silver in Rs/Kg

Gold and Silver 999 Watch

Date	GOLD*	SILVER*
18 th July 2024	73979	91555
16 th July 2024	73339	92014
15 th July 2024	72932	91835
12 th July 2024	72664	91827

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

COMEX Futures Watch

Description	Contract	Close	Change	%Chg
Gold(\$/oz)	AUG 24	2456.40	-3.50	-0.14
Silver(\$/oz)	SEPT 24	30.22	-0.15	-0.50

ETF Holdings as on Previous Close

ETFs	In Tonnes	Net Change
SPDR Gold	842.02	0.00
iShares Silver	13,556.58	73.84

Gold and Silver Fix

Description	LTP
Gold London AM Fix(\$/oz)	2466.95
Gold London PM Fix(\$/oz)	2463.80
Silver London Fix(\$/oz)	30.47

Bullion Futures DGCX

Description	Contract	LTP
Gold(\$/oz)	AUG 24	2444.1
Gold Quanto	AUG 24	74175
Silver(\$/oz)	SEPT 24	29.99

Gold Ratio

Description	LTP
Gold Silver Ratio	81.27
Gold Crude Ratio	29.66

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	18955.89	0.54	0.00 %

Macro-Economic Indicators

Time	Country	Event	Forecast	Previous	Impact
19 th July 08:10 PM	United States	FOMC Member Williams Speaks	-	-	Medium
19 th July 10:30 PM	United States	FOMC Member Bostic Speaks	-	-	Low

Nirmal Bang Securities - Daily Bullion News and Summary

□ Gold declined on Thursday as bond yields and the dollar pushed higher, with traders assessing the Federal Reserve's next moves on interest rates and geopolitical risks. Bullion slipped as much as 0.7% after rising by the same scale, as a gauge of the dollar strengthened for the first time in three days and Treasury yields edged higher. A stronger dollar and higher rates are typically negative for gold as it's priced in the greenback and pays no interest. 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. US data on Thursday showed initial jobless claims rose last week by the most since early May and continuing claims jumped. The slowdown in the job market — along with recent moderation in inflation — bolsters the case for the Fed to cut rates as early as September. Chicago Fed President Austan Goolsbee suggested the central bank may need to lower borrowing costs soon in order to avoid a sharper deterioration in the labor market. He joined a growing chorus of US policymakers acknowledging that inflation is cooling toward the central bank's 2% target. Still, gold is up nearly 20% this year, with much of the gains fueled by large purchases from central banks, strong consumer appetite in China and demand for haven assets. The market is also closely watching the US election cycle. Expectations of rising geopolitical tensions with a potential Trump presidency — not just with China but also with Europe — have also provided some support to gold, Colin Hamilton, managing director of BMO Capital Markets, said in a research note.

□ Gold shipments from Europe's key refining hub fell to 68.4 tons from 103.5 tons in May as sales to China and India dropped sharply, according to data on the website of the Swiss Federal Customs Administration. Shipments to China dropped 66% to 12.3 tons. Sales to India little fell 51% to 6.9 tons. Sales to Hong Kong more than tripled to 5 tons. Sales to UK dropped 72% to 4.2 tons. Sales to Turkey fell 42% to 5.5 tons. Swiss gold imports fell 35% to 114.8 tons.

□ Exchange-traded funds added 232,039 troy ounces of gold to their holdings in the last trading session, bringing this year's net sales to 3.55 million ounces, according to data compiled by Bloomberg. This was the fifth straight day of growth. The purchases were equivalent to \$570.5 million at yesterday's spot price. Total gold held by ETFs fell 4.1 percent this year to 82 million ounces, the highest level since April 5. Gold advanced 19 percent this year to \$2,458.79 an ounce and fell by 0.4 percent in the latest session. State Street's SPDR Gold Shares, the biggest precious-metals ETF, maintained its holdings in the last session. The fund's total of 27.1 million ounces has a market value of \$66.6 billion. ETFs also added 52,803 troy ounces of silver to their holdings in the last trading session, bringing this year's net sales to 13.2 million ounces.

□ Sales of tax-exempt gold coins by the UK's Royal Mint jumped in the last quarter as investors fretted about potential changes to fiscal policy by an expected new Labour government. The total value of gold coins, that don't attract capital gains sold on the Mint's website jumped by 9% during April-June from a year earlier. According to Stuart O'Reilly, market insight manager at the money producer. "Our largest ever — multi-millions — single purchase of CGT-exempt coins by an individual occurred in late May this year," O'Reilly said. There was a general swing in the online sales away from gold bars last quarter, he added, with the split between them and gold coins going from 50/50 to closer to two-thirds in favor of the latter in terms of money spent. While the possibility of a capital gains hike by Labour adds to the coins' appeal, it's one of many potential drivers for the Mint's increased sales. Recent reductions in the threshold at which the tax is due may play a part. Buyers are also making a bullish bet on the future spot price of gold, which hit an all-time high this week before dropping back to trade at \$2,463.20 an ounce in London on Thursday. The Royal Mint's sales figures are for purchases by the general public through its website, for which 90% of customers are based in the UK. Bars and coins sold to wholesalers and retailers in the UK and worldwide are excluded from the data. At least one other precious metals dealer saw a similar trend. Between June 1 and the July election, Merrion Gold's UK sales of Royal Mint CGT-exempt gold and silver coins almost tripled from a year earlier, reaching £1 million (\$1.3m), according to the firm's head of trading, David Higgins.

□ Two Federal Reserve leaders suggested the central bank should assess how readily its emergency lending facility is able to address liquidity needs in the banking system. The facility, known as the discount window, has come under scrutiny following a banking crisis in 2023 that included the failures of Silicon Valley Bank and Signature Bank. "When it comes to the next steps in liquidity reform, I think it is imperative that we tackle known and identified issues that were exposed during the banking stress in the spring of 2023," Fed Governor Michelle Bowman said in prepared remarks Thursday at a conference at the Dallas Fed. "This must include updating discount window operations and technology and making sure that payment services are available when needed." Speaking at the same two-day conference on bank funding sponsored by both the Federal Reserve Banks of Dallas and Atlanta, Dallas Fed president Lorie Logan also suggested the central bank is due for an examination of the discount window. "Our last full review of the discount window function took place more than 20 years ago," she said. "By examining our approach to discount window lending in the current environment and in light of recent experience, we can ensure the window continues to provide ready access to liquidity going forward." Bowman said some banks have encountered frictions accessing the discount window, which potentially exacerbated the stress they experienced. She said changes were needed to modernize discount window lending and payment services, such as updating the technology banks use to request loans. Earlier Thursday, Logan repeated a plea for all banks to sign up for the Fed's emergency lending facility, noting that institutions need to continue to test their operational readiness. Policymakers have argued that access to it, and ability to use it in a time of stress — through periodic testing — could prevent larger problems such as the regional banking failures of last year. "Every bank in America should be fully set up at the window as part of its liquidity toolkit," Logan said. Logan noted that more than 5,000 depository institutions have completed the necessary documentation to sign up for discount window access, and that \$3 trillion in collateral has been pledged, up \$1 trillion from last year.

Fundamental Outlook: Gold and silver prices are trading lower today on the international bourses. We expect gold and silver prices to trade ranger-bound to slightly lower for the day, as a selloff in gold deepened amid speculation its rally to an all-time high earlier this week may have gone too far.

Key Market Levels for the Day

Time	Month	S3	S2	S1	R1	R2	R3
Gold – COMEX	August	2370	2400	2420	2440	2465	2480
Silver – COMEX	September	29.25	29.50	29.80	30.00	30.30	30.50
Gold – MCX	August	73200	73500	73750	74050	74350	74600
Silver – MCX	September	90000	90800	91300	91600	92200	92850

Nirmal Bang Securities - Daily Currency Market Update

Dollar Index

LTP/Close	Change	% Change
104.17	0.42	0.41

Bond Yield

10 YR Bonds	LTP	Change
United States	4.2021	0.0445
Europe	2.4300	0.0110
Japan	1.0420	0.0010
India	6.9670	0.0040

Emerging Market Currency

Currency	LTP	Change
Brazil Real	0.0619	0.0619
South Korea Won	3.3500	3.3500
Russia Rubble	-0.2001	-0.2001
Chinese Yuan	0.0000	0.0000
Vietnam Dong	-30.0000	-30.0000
Mexican Peso	0.2642	0.2642

NSE Currency Market Watch

Currency	LTP	Change
NDF	83.76	-0.0100
USDINR	83.6575	0.0525
JPYINR	53.52	0.9150
GBPINR	108.63	0.2550
EURINR	91.4575	0.3425
USDJPY	156.19	-1.9600
GBPUSD	1.2974	0.0010
EURUSD	1.095	0.0031

Market Summary and News

□ The Indian rupee may hit a record low amid a weakness in regional FX. Bond traders will parse central bank comments that it will continue to focus on lowering inflation. India to sell 310b rupees of bonds on Friday; India's central bank said it's better to focus on bringing inflation down to the 4% target than to ease monetary policy to boost economic growth in the short term. "Given the high uncertainty shrouding the inflation outlook, it is prudent to eschew the temptation of time inconsistency and stay the course on the straight and narrow path of aligning inflation with the target of 4%," the Reserve Bank of India said in its monthly bulletin Thursday. India's central bank bought a net \$4.2b of FX in spot market in May, according to its latest bulletin. USD/INR up 0.1% to 83.6588 on Thursday; up 0.2% so far this week. Pair has a record high of 83.67. Implied opening from forwards suggest spot may start trading around 83.66. 10-year yields little changed at 6.97% on Thursday; down 2bps so far this week. Global Funds Buy Net 54.8B Rupees of Indian Stocks July 18: NSE. They sold 50 million rupees of sovereign bonds under limits available to foreign investors, and added 700 million rupees of corporate debt. State-run banks bought 30 billion rupees of sovereign bonds on July 18: CCIL data. Foreign banks bought 41.3 billion rupees of bonds.

□ A gauge of dollar strength gained for the first time in three days as Treasury yields edged higher and the market stabilized after a selloff on Wednesday. The euro extended losses after the European Central Bank held interest rates steady and signaled the September meeting will be "wide open." Bloomberg Dollar Spot Index rallies 0.5%, on pace for best day since July 11, after falling to the lowest since May on Wednesday; tops 100-DMA. US 10-year Treasury yield up around 2 basis points to 4.18%. After a selloff in the dollar, the currency bounced back as investors reassess the effect of positioning and Trump's comments on FX. Corporate flows also seen supporting greenback; EUR/USD down 0.3% to trade near session low of 1.0899, extending losses seen after ECB meeting; President Christine Lagarde said the ECB's next interest-rate meeting is "wide open" — hinting that another cut is possible. "Downside risks to growth, particularly due to the slow recovery in the industrial sector and weak credit dynamics affecting investment demand for firms, build the case for the ECB to remove some degree of restrictiveness," wrote Salman Ahmed, global head of macro and strategic asset allocation at Fidelity International, after the decision. GBP/USD deepening losses, down 0.5% to session low of 1.2948; data earlier showed UK wages grew at the slowest pace in almost two years, in line with the median expectation of economists. Traders are now pricing in a roughly 46% chance of a quarter-point rate cut next month by the BOE, having scaled back bets to nearly 30% yesterday in the wake of CPI data. The yen weakens from the strongest level in almost six weeks as a recent steep rally in Japan's currency spurred local businesses to buy the greenback. USD/JPY up 0.7%, biggest intraday advance since June 26, to session high of 157.24 in New York; "Strong demand for dollars from Japanese importers has helped limit a gain in the yen," said Fukuhiro Ezawa, head of financial markets in Tokyo at Standard Chartered Bank. "The topside is heavy for dollar-yen as its break of the trend line keeps traders on the sidelines." AUD/USD slides 0.3% to trade near day's low of 0.6705; Australia's currency gained as much as 0.2% earlier after report showed a faster-than-estimated increase in jobs.

Key Market Levels for the Day

	S3	S2	S1	R1	R2	R3
USDINR SPOT	83.5150	83.5625	83.6175	83.6825	83.7425	83.7950

Nirmal Bang Securities - Bullion Technical Market Update

Gold Market Update



Market View	
Open	74364
High	74538
Low	74050
Close	74155
Value Change	18
% Change	0.02
Spread Near-Next	483
Volume (Lots)	4563
Open Interest	12451
Change in OI (%)	-4.47%

Gold - Outlook for the Day

SELL GOLD AUG (MCX) AT 74050 SL 74350 TARGET 73750/73500

Silver Market Update



Market View	
Open	92300
High	92670
Low	91391
Close	91772
Value Change	-170
% Change	-0.18
Spread Near-Next	2683
Volume (Lots)	15221
Open Interest	24002
Change in OI (%)	-0.38%

Silver - Outlook for the Day

SELL SILVER SEPT (MCX) AT 91600 SL 92300 TARGET 90800/90300
BUY SILVER SEPT (MCX) AT 90000 SL 89200 TARGET 90800/91300

Nirmal Bang Securities - Currency Technical Market Update

USDINR Market Update



Market View	
Open	83.5900
High	83.6850
Low	83.5725
Close	83.6575
Value Change	0.0525
% Change	0.0628
Spread Near-Next	-0.3305
Volume (Lots)	162755
Open Interest	2454292
Change in OI (%)	-0.10%

USDINR - Outlook for the Day

The USDINR future witnessed a flat opening at 83.59, which was followed by a session where price shows strong buying from lower level with candle closures near high. A long green formed by the USDINR price where price closed near all-time high. 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	83.5325	83.5850	83.6375	83.6825	83.7250	83.7875

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
Jayati Mukherjee	Sr. Research Analyst	Jayati.mukherjee@nirmalbang.com
Smit Bhayani	Research Analyst	smit.bhayani@nirmalbang.com
Utkarsh Dubey	Research Associate	Utkarsh.dubey@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.