

Daily Bullion Physical Market Report

Date: 19th December 2024

Daily India Spot Market Rates

Description	Purity	AM	PM
Gold	999	76570	76658
Gold	995	76263	76351
Gold	916	70138	70219
Gold	750	57428	57494
Gold	585	44794	44845
Silver	999	88950	89060

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

Gold and Silver 999 Watch

Date	GOLD*	SILVER*
18 th December 2024	76658	89060
17 th December 2024	76362	88525
16 th December 2024	76908	89515
13 th December 2024	76922	89976

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

COMEX Futures Watch

Description	Contract	Close	Change	%Chg
Gold(\$/oz)	FEB 25	2653.30	-8.70	-0.33
Silver(\$/oz)	MAR 25	30.74	-0.18	-0.59

ETF Holdings as on Previous Close

ETFs	In Tonnes	Net Change
SPDR Gold	864.19	0.29
iShares Silver	14,227.19	-34.01

Gold and Silver Fix

Description	LTP
Gold London AM Fix(\$/oz)	2648.35
Gold London PM Fix(\$/oz)	2635.65
Silver London Fix(\$/oz)	30.36

Bullion Futures DGCX

Description	Contract	LTP
Gold(\$/oz)	DEC 24	2623.5
Gold Quanto	DEC 24	76673
Silver(\$/oz)	DEC 24	30.28

Gold Ratio

Description	LTP
Gold Silver Ratio	86.31
Gold Crude Ratio	37.59

Weekly CFTC Positions

	Long	Short	Net
Gold(\$/oz)	236267	16078	220189
Silver	47587	16902	30685

MCX Indices

Index	Close	Net Change	% Chg
MCX iCOMDEX Bullion	18764.38	-66.54	-0.35 %

Macro-Economic Indicators

Time	Country	Event	Forecast	Previous	Impact
19 th December 05:30 PM	Britain	Monetary Policy Summary	-	-	High
19 th December 05:30 PM	Britain	MPC Official Bank Rate Votes	0-2-7	0-8-1	High
19 th December 05:30 PM	Britain	Official Bank Rate	4.75%	4.75%	High
19 th December 07:00 PM	United States	Final GDP q/q	2.8%	2.8%	High
19 th December 07:00 PM	United States	Unemployment Claims	229K	242K	High
19 th December 07:00 PM	United States	Final GDP Price Index q/q	1.9%	1.9%	Medium
19 th December 07:00 PM	United States	Philly Fed Manufacturing Index	3.0	-5.5	Medium
19 th December 08:30 PM	United States	Existing Home Sales	4.09M	3.96M	Medium

Nirmal Bang Securities - Daily Bullion News and Summary

□ Gold fell to the lowest price in a month on Wednesday after the Federal Reserve reduced interest rates and forecast less monetary easing for 2025. US policymakers lowered their benchmark interest rate for a third consecutive time on Wednesday, but reined in the number of cuts they expect in 2025, signaling greater caution over how quickly they can continue reducing borrowing costs. New quarterly forecasts showed several officials penciled in fewer rate cuts for next year than they estimated just a few months ago. They now see their benchmark rate reaching a range of 3.75% to 4% by the end of next year, implying two quarter-percentage-point cuts, according to the median estimate. Treasury yields and the dollar surged after the rate decision, sending bullion down by as much as 1.6%. Swap traders now see less easing after the statement from the Federal Open Market Committee. Chair Jerome Powell said at his press conference following the Fed decision that Wednesday's cut was a close call, but the right one. "We can therefore be more cautious as we consider further adjustments to our policy rate," he said. Powell also added that the US central bank's policy rate was still "meaningfully restrictive" and the committee is "on track to continue to cut." To make additional rate cuts, Powell said officials would have to see more progress on inflation, which he said has been moving "sideways." With regard to the incoming Trump administration's potential tariffs, which economists see as an inflationary.

□ Gold has surged by almost 30% this year, its strongest since 2010. Yet ETF holdings, a key indicator of investor sentiment, are on course for a fourth straight year of declines. The disconnect points to central banks, particularly in emerging markets like China, as the main drivers of gold's gains, with retail and institutional investors remaining on the sidelines. With ETF flows weakening and demand from India set to drop 4% next year due to elevated prices, the rally may struggle to sustain momentum. The Federal Reserve's monetary policy path will be key to the outlook for the precious metal. Lower rates generally favor gold but political and economic uncertainty tied to Trump's policies muddy the view. While banks like Goldman Sachs see prices hitting \$3,000 by 2025 up from around \$2,644 currently, fading support from ETFs raises questions over whether the peak is already behind us.

□ Exchange-traded funds cut 28,228 troy ounces of gold from their holdings in the last trading session, bringing this year's net sales to 2.94 million ounces, according to data compiled by Bloomberg. This was the third straight day of declines, the longest losing streak since Nov. 18. The sales were equivalent to \$74.7 million at yesterday's spot price. Total gold held by ETFs fell 3.4 percent this year to 82.6 million ounces, the lowest level since Aug. 20. State Street's SPDR Gold Shares, the biggest precious-metals ETF, boosted its holdings by 9,240 ounces in the last session. The fund's total of 27.8 million ounces has a market value of \$73.5 billion. ETFs added 577,386 troy ounces of silver to their holdings in the last trading session, bringing this year's net purchases to 11.9 million ounces.

□ A surge in gold imports that widened India's trade deficit to a record last month and pushed the rupee to an all-time low was due to an error in calculation, according to people with knowledge of the matter. Official's double-counted gold shipments in warehouses following a change in methodology in July; the people said, asking not to be identified ahead of an expected formal clarification. Attempts are on to reconcile the data, which could have been over-estimated by as much as 50 tons in November or almost 30% of total imports of the precious metal that month, some of the people said. If an error is indeed identified, the trade figures are likely to be revised and traders could expect some correction in the foreign-exchange rate. It would also soothe feverish speculation about the state of the economy triggered by the data, as economists pondered over whether the surge in gold purchases signaled distress and a need to hedge against inflation or a move that indicated prosperity in the hinterland caused by a healthy crop. India's trade deficit ballooned to an unprecedented \$37.8 billion in November, driven by a four-fold increase in gold imports to a record \$14.8 billion, from just \$3.44 billion a year ago. While gold imports have risen steadily since the government cut duties on the precious metal to 6% from 15% in the July budget, the sharp spike had stumped analysts. According to people familiar with India's import system, officials probably added up imports kept by custodians in free trade zone warehouses with tallies reported by domestic banks that buy the gold from the custodians. Typically, the gold isn't considered an import until it is checked out from the warehouse. However, a recent integration of customs clearing systems is being identified as the potential culprit.

□ Federal Reserve officials lowered their benchmark interest rate for a third consecutive time, but reined in the number of cuts they expect in 2025, signaling greater caution over how quickly they can continue reducing borrowing costs. The Federal Open Market Committee voted 11-1 on Wednesday to cut the federal funds rate to a range of 4.25%-4.5%. Cleveland Fed President Beth Hammack voted against the action, preferring to hold rates steady. "With today's action, we have lowered our policy rate by a full percentage point from its peak and our policy stance is now significantly less restrictive," Fed Chair Jerome Powell told reporters in a press conference following the Fed's decision. "We can therefore be more cautious as we consider further adjustments to our policy rate." Nonetheless, Powell added that interest rates were still "meaningfully" restraining economic activity, and the Fed is "on track to continue to cut." But, he said, officials would have to see more progress on inflation before making additional rate cuts. New quarterly forecasts showed several officials penciled in fewer rate cuts for next year than they estimated just a few months ago, and saw inflation making considerably less progress in 2025. They now see their benchmark rate reaching a range of 3.75% to 4% by the end of 2025, implying two quarter-percentage-point cuts, according to the median estimate. Only five officials indicated a preference for more reductions next year.

Fundamental Outlook: Gold and silver prices are trading lower today on the international bourses. We expect gold and silver prices to trade range-bound to slightly lower for the day; as gold prices held a sharp decline, as traders weighed the interest-rate outlook after the Federal Reserve signaled caution over the easing path next year.

Key Market Levels for the Day

Bullion	Month	S3	S2	S1	R1	R2	R3
Gold – COMEX	December	2565	2590	2620	2650	2670	2695
Silver – COMEX	December	29.50	29.70	30.00	30.20	30.45	30.65
Gold – MCX	December	75450	75700	76000	76300	76700	76950
Silver – MCX	December	86700	87500	88200	88800	89500	90300

Nirmal Bang Securities - Daily Currency Market Update

Dollar Index

LTP/Close	Change	% Change
108.03	1.07	1.00

Bond Yield

10 YR Bonds	LTP	Change
United States	4.5140	0.1153
Europe	2.2440	0.0150
Japan	1.0820	-0.0020
India	6.7460	-0.0120

Emerging Market Currency

Currency	LTP	Change
Brazil Real	6.2931	0.1822
South Korea Won	1438.95	1.7000
Russia Rubble	104.5875	0.1375
Chinese Yuan	7.2857	0.0015
Vietnam Dong	25452	24.0000
Mexican Peso	20.3679	0.1893

NSE Currency Market Watch

Currency	LTP	Change
NDF	85.28	-0.0200
USDINR	85.015	0.0175
JPYINR	55.3825	-0.6600
GBPINR	108.055	0.2375
EURINR	89.3025	0.1225
USDJPY	153.42	-0.1900
GBPUSD	1.2714	0.0020
EURUSD	1.0505	0.0010

Market Summary and News

- The Indian rupee's three-month non-deliverable forward points rose to the highest level since March 2023, driving up hedging costs for foreigners. USD/INR 3-month NDF forward point rises to 56.35, the highest since March last year, according to Bloomberg-compiled data. USD/INR little changed at 84.9550 after rising to a new all-time high of 84.9613. NOTE: Forward points are the number of basis points used to determine the forward rate. They are added to, or subtracted from the spot rate to determine the forward rate. "USD/INR forward points are on the rise, underscoring increased hedging flows from foreign portfolio investors," Nimish M. Prabhune and Gek Teng Khoo, analysts at Morgan Stanley write in a note. Since mid-November 2024, the 3-month USD/INR forward points have surged, driving up hedging costs. 10-year yields lower by 1 basis point to 6.75%.
- The Brazilian real was the worst performing emerging-market currency on Wednesday as the Federal Reserve's hawkish rate outlook added to concerns over Brazil's fiscal accounts. Fed officials delivered a 25 basis point cut as expected on Wednesday, but reduced expectations for interest-rate cuts in 2025. The Brazilian central bank called for a \$3 billion dollar auction after the currency ended the session 3% weaker. Brazilian assets led the most following the decision, with the benchmark stock index dropping 3.2%. The nation's dollar bonds led the decline among emerging-market peers and the five-year CDS jumped more than 30 basis points to the highest since May 2023. NOTE: Brazil Traders 'Sell First, Ask Later' as Panic Hits Markets. A sub-index of Latin American stocks plunged to the lowest levels in four years as the Fed's hawkish stance hindered appetite for riskier assets. All Latin American currencies fell; the Mexican peso, which had outperformed peers prior to the Fed, sank 1% after. Romania's dollar bonds were among the worst performers in emerging markets on Wednesday after Fitch cut the country's credit outlook to negative.
- A Bloomberg dollar gauge rallied to its strongest level in more than two years after Federal Reserve officials lowered borrowing costs as expected but signaled just two interest-rate cuts in the year ahead. The Bloomberg Dollar Spot Index gains as much as 0.6% to 1297.14 high, its strongest level since Nov. 2022. The Fed flagged just 50bp of rate cuts for 2025 during this meeting, compared to 100bp when estimates were last released in September; it cut borrowing costs, as widely forecast, by 25bp to 4.25%-4.50%. "What's the rush to keep cutting rates?" Bob Michele, chief investment officer and head of global fixed income at JPMorgan Asset Management, told Bloomberg Television. "I'm pleasantly surprised they went to two cuts next year instead of three." "It's a hawkish cut but markets are already in a hawkish place so it's tough to say how much of a continued knee jerk move to expect tonight," said Jordan Rochester, head of macro strategy at Mizuho. The bank is expecting 10-year yields to trade up to 4.6% by year-end. One-day volatility in BBDXY rises as high as 14.22% as options also capture meetings by the Bank of England, the Bank of Japan, Norges Bank and Riksbank on Thursday. USD/JPY gains 0.6% to 154.39 after pair dropped 0.5% Tuesday, the biggest decline this month. Dollar-yen's overnight implied vols also spike higher, up as high as 25.2%, most since US election. Bank of Japan officials likely to discuss the merits of a rate hike Thursday amid growing speculation of a January move. Euro hit after Fed; EUR/USD falls 0.7% to 1.0420. Mizuho sees euro breaking below \$1.04 by Christmas, Rochester said. Aussie, Kiwi dollars lead G-10 losses versus greenback after Fed decision; AUD/USD falls 1.1% to 0.6266 and NZD/USD down 1.2% to 0.5684. GBP/USD drops 0.6% to 1.2631 after Fed release, below 21-DMA at 1.2676. Traders are betting on fewer BOE rate cuts in 2025 ahead of the Thursday meeting, with officials seen as holding borrowing costs steady; money-markets earlier implied just 49bp of cuts through end-2025. Cable briefly gained after data showed that UK inflation rose to an eight-month high in November, for the move to quickly lose traction. Loonie extends losses seen since Finance Minister Freeland's exit; USD/CAD up 0.6% to 1.4389. One-month USD/CAD risk reversals pare recent rise but trade at 71bp, calls over puts, implying persistent bearish view on loonie.

Key Market Levels for the Day

	S3	S2	S1	R1	R2	R3
USDINR SPOT	83.8275	84.8725	84.9125	84.9975	85.0125	85.0475

Nirmal Bang Securities - Bullion Technical Market Update

Gold Market Update



Market View	
Open	76887
High	76997
Low	76565
Close	76653
Value Change	-218
% Change	-0.28
Spread Near-Next	637
Volume (Lots)	3804
Open Interest	12857
Change in OI (%)	-0.18%

Gold - Outlook for the Day

SELL GOLD FEB (MCX) AT 76300 SL 76700 TARGET 75900/75700

Silver Market Update



Market View	
Open	90715
High	90937
Low	90072
Close	90380
Value Change	-495
% Change	-0.54
Spread Near-Next	1786
Volume (Lots)	6750
Open Interest	29897
Change in OI (%)	3.46%

Silver - Outlook for the Day

SELL SILVER MARCH (MCX) AT 88800 SL 89800 TARGET 87500/87000

Nirmal Bang Securities - Currency Technical Market Update

USDINR Market Update



Market View	
Open	85.0000
High	85.8125
Low	84.9925
Close	85.0150
Value Change	0.0175
% Change	0.0206
Spread Near-Next	0.0000
Volume (Lots)	549189
Open Interest	3628158
Change in OI (%)	7.39%

USDINR - Outlook for the Day

The USDINR future witnessed a flat opening at 85.00, which was followed by a session where price showed consolidation with positive buyer profit with candle enclosure near low. A green candle has been formed by the USDINR price closes having major support of 10-days moving average placed at 84.90 levels. On the daily chart, the MACD showed a positive crossover above zero-line, while the momentum indicator RSI trailing between 66-74 levels shows slightly positive indications. We are anticipating that the price of USDINR futures will fluctuate today between 84.91 and 85.06.

Key Market Levels for the Day

	S3	S2	S1	R1	R2	R3
USDINR DEC	84.8575	84.9150	84.9625	85.0250	85.0775	85.1350

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