



**Daily Bullion Physical Market Report**

**Date: 21<sup>st</sup> March 2023**

**Daily India Spot Market Rates**

Description	Purity	AM	PM
Gold	999	59671	59479
Gold	995	59432	59241
Gold	916	54659	54483
Gold	750	44753	44609
Gold	585	34908	34795
Silver	999	68250	68472

\*Rate as exclusive of GST as of 20<sup>th</sup> March 2023 Gold is Rs/10 Gm & Silver in Rs/Kg

**Gold and Silver 999 Watch**

Date	GOLD*	SILVER*
20 <sup>th</sup> March 2023	59479	68472
17 <sup>th</sup> March 2023	58220	66773
16 <sup>th</sup> March 2023	58341	67311
15 <sup>th</sup> March 2023	57902	66861

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

**COMEX Futures Watch**

Description	Contract	Close	Change	%Chg
Gold(\$/oz)	JUN 23	1999.70	9.50	0.48
Silver(\$/oz)	MAY 23	22.65	0.18	0.82

**ETF Holdings as on Previous Close**

ETFs	Long	Short
SPDR Gold	921.08	6.36
iShares Silver	14,287.30	-105.78

**Gold and Silver Fix**

Description	LTP
Gold London AM Fix(\$/oz)	1981.95
Gold London PM Fix(\$/oz)	1969.35
Silver London Fix(\$/oz)	22.50

**Bullion Futures DGCX**

Description	Contract	LTP
Gold(\$/oz)	APR. 23	1986.6
Gold Quanto	APR. 23	59526
Silver(\$/oz)	MAY. 23	22.68

**Gold Ratio**

Description	LTP
Gold Silver Ratio	88.30
Gold Crude Ratio	29.56

**Weekly CFTC Positions**

	Long	Short	Net
Gold(\$/oz)	114511	90405	24106
Silver	27565	45770	-18205

**MCX Indices**

Index	Close	Net Change	% Chg
MCX iCOMDEX Bullion	16052.20	44.52	0.28 %

**Macro-Economic Indicators**

Time	Country	Event	Forecast	Previous	Impact
20 <sup>th</sup> March 06:00 PM	Europe	ECB President Lagarde Speaks	-	-	Low
20 <sup>th</sup> March 07:30 PM	United States	Existing Home Sales	4.19 M	4.00 M	Low



## Nirmal Bang Securities - Daily Bullion News and Summary

❖ Gold slipped after earlier rising above \$2,000 an ounce for the first time in a year as a deal to buy Credit Suisse Group AG failed to fully ease fears over the global banking sector. The haven earlier rose as much as 1% despite regulators worldwide rushing to shore up market confidence over the weekend. The ongoing banking woes are also spurring bets that central banks may embark on a slower pace of monetary tightening. Bullion surged 6.5% last week in its biggest advance since early on in the pandemic after several regional American lenders collapsed and concerns grew over the Swiss bank's health. "The treatment of AT1 bonds has introduced a new source of uncertainty," Marcus Garvey, head of metals strategy at Macquarie Group Ltd., wrote in a note. "The longer uncertainty rolls on, with neither market fears being wholly calmed nor a full-blown systematic crisis unfolding, the higher gold prices should be able to trade." It's a sharp turnaround for bullion, which slid last month on expectations the Federal Reserve would continue its aggressive monetary tightening to curb inflation. Those bets have since been greatly diminished, with swaps traders now split on whether the central bank will hike again this year. That's a boon for non-yielding gold, and investors have responded by increasing their allocations to the market. In tonnage terms, exchange-traded fund holdings of the metal rose the most since April last week, according to an initial tally by Bloomberg.

❖ Exchange-traded funds cut 78,954 troy ounces of gold from their holdings in the last trading session, bringing this year's net sales to 1.44 million ounces, according to data compiled by Bloomberg. The sales were equivalent to \$157.1 million at the previous spot price. Total gold held by ETFs fell 1.5 percent this year to 92.3 million ounces. Gold advanced 9.1 percent this year to \$1,989.25 an ounce and by 3.6 percent in the latest session. State Street's SPDR Gold Shares, the biggest precious-metals ETF, boosted its holdings by 204,510 ounces in the last session. The fund's total of 29.6 million ounces has a market value of \$58.9 billion. ETFs also cut 10.6 million troy ounces of silver from their holdings in the last trading session, bringing this year's net sales to 6.69 million ounces. This was the biggest one-day decrease since July 28, 2022.

❖ The European Central Bank doesn't see any conflict between its inflation-targeting mission and its responsibility to stave off financial-system threats, President Christine Lagarde said. "Price stability goes with financial stability, and they are both present and come together — but there is no trade off," she told lawmakers in Brussels on Monday. "Financial stability to the extent that it impacts the economic situation, to the extent that it impacts our projections, has an impact on how we see the situation from a macroeconomic point of view, but they are two different stabilities addressed by different tools." The comments expand on a theme Lagarde already touched on last Thursday after the ECB raised interest rates by a half point and didn't provide a signal on further moves. In an opening statement to the European Parliament, the president stuck closely to wording used last week that officials "stand ready to respond as necessary to preserve price stability and financial stability," and then she also repeated remarks made on Sunday to "welcome the swift action and the decisions" by Switzerland over Credit Suisse Group AG. "We are using the interest rates that we have and this was the case last week, this was the case before because we have enough ground to cover to move at the pace where we are moving," she said. "As far as financial stability is concerned, we have all the tools that will be needed," and "those tools will be used if necessary," she said. Some policymakers have argued that monetary tightening will probably need to continue when tensions subside. Latvian central-bank chief Martins Kazaks told Bloomberg in an interview published on Monday that borrowing costs must rise further "if the baseline scenario holds and market volatility calms down and does not derail the scenario." By contrast, his Greek colleague Yannis Stournaras warned on CNBC Europe that the ECB is now "close to the end of the tightening cycle" and that "rate hikes are mostly now a story of the past." Lagarde's remarks didn't give a signal either way in the debate, although she did acknowledge how banking turmoil might ultimately cause officials to change view. "Financial-stability tensions might have an impact on demand, and might actually do part of the work that would otherwise be done by monetary policy," she said. "That impact is uncertain at this point in time, but it will have to be taken into account when we produce our next projections, and also when we do our next assessment and decide our next monetary-policy move."

❖ Global central banks witnessed no dash for dollars after uniting with the Federal Reserve to ease access to supplies of the US currency, an indication the latest bout of banking turmoil may not be causing undue stress to the financial system. Offered the chance to secure dollars via the Fed on a daily basis rather than the typical weekly frequency, the Swiss National Bank awarded \$101 million in a daily seven-day maturity repo operation, the most since October 2022, but well below previous times of broad funding strains. The Bank of England and Bank of Japan received zero bids, while the European Central Bank allotted just \$5 million to a single bidder. That compared to \$469.5 million of bids in the ECB's last weekly operation. "It seems that the Fed and other central banks have taken very pre-emptive action here and we would not be at all surprised if demand at these dollar-supplying operations remains pretty modest," said Steven Barrow, head of G-10 strategy at Standard Bank. "It appears that dollar funding pressure has been very limited so far." The actions came a day after the Fed and five counterparts pledged coordinated action to ensure dollars keep flowing around the world. They did so as UBS Group AG's rescue of Credit Suisse Group AG became the latest chapter in a two-week run of turbulence in global banking, which threatens a fresh financial crisis unless beaten back. The initiative enables international central banks to borrow supplies of the world's reserve currency from the Fed in exchange for an equivalent amount of their local currencies. So-called dollar swap lines were first used extensively during the 2007-2008 crisis, but now are part of the regular playbook for central banks when trouble hits. The aim of doing so is to meet the needs of companies and financial institutions, which typically have obligations denominated in dollars or rush for the safety of the US currency when strains in the financial system or world economy emerge and access to money shrinks.

❖ **Fundamental Outlook:** Gold and silver prices are trading flat today on international bourses. We expect precious metals prices on Indian bourses to trade range-bound for the day. We recommend sell on rise in gold and silver in intra-day trading sessions, as fears of a full-blown banking meltdown eased and attention turned to a Federal Reserve rate decision on Wednesday.

### Key Market Levels for the Day

Time	Month	S3	S2	S1	R1	R2	R3
Gold – COMEX	April	1875	1899	1920	1950	1975	2000
Silver – COMEX	May	21.75	22.00	22.20	22.40	22.60	22.85
Gold – MCX	April	59000	59250	59500	59650	59800	60050
Silver – MCX	May	67300	68000	68500	69000	69550	70100



## Nirmal Bang Securities - Daily Currency Market Update

### Dollar Index

LTP/Close	Change	% Change
103.28	-0.43	-0.41

### Bond Yield

10 YR Bonds	LTP	Change
United States	3.4847	0.0561
Europe	2.1200	0.0180
Japan	0.2500	-0.0380
India	7.3250	-0.0150

### Emerging Market Currency

Currency	LTP	Change
Brazil Real	5.2379	-0.0408
South Korea Won	1310.5	7.7000
Russia Rubble	76.7339	-0.2782
Chinese Yuan	6.877	-0.0097
Vietnam Dong	23587	0
Mexican Peso	18.8377	-0.0722

### NSE Currency Market Watch

Currency	LTP	Change
NDF	82.76	0
USDINR	82.62	0.005
JPYINR	62.9825	0.7
GBPINR	100.8875	0.63
EURINR	88.3775	0.4925
USDJPY	131.2	-1.56
GBPUSD	1.2206	0.0071
EURUSD	1.07	0.0061

### Market Summary and News

❖ A gauge of the US dollar's strength is poised to close at its lowest level in more than a month ahead of a two-day Fed policy meeting that starts Tuesday. Bank shares advance amid growing expectations the US central bank may adopt a more cautious policy approach. The Bloomberg Dollar Spot Index fell as much as 0.5% to its lowest level since Feb. 20, after rising 0.2% earlier in the day. The greenback was lower versus all its G-10 peers except the Swiss franc and kiwi. Limited swap facility use by central banks shows a lack of dollar funding stress. US Treasury yields rose amid an improving risk tone and as attention turns to the path of the Fed's balance sheet. Markets are slightly in favor of a 25 basis-point hike this week but have priced out the possibility of a bigger move. "The Fed adding to its balance sheet but being slow to resolve the underlying financial problem, is among the worst outcomes for the USD," writes Alan Ruskin, chief international strategist at Deutsche Bank AG, in a research note. "If on Wednesday, the Fed hikes 25 bps and doesn't do anything on the dots, that could well trip up the dollar," said Kenneth Broux, FX strategist at Societe Generale, referring to the Fed's "dot plot" that summarizes its rate outlook. USD/JPY was down 0.3% at 131.47 after falling as much as 1% to a five-week low of 130.54. "In current circumstances, we continue to recommend a short USD/JPY trade, which is benefitting from the pick-up in risk aversion and less favourable financial market conditions," MUFG strategists wrote in a note. EUR/USD up 0.5% at 1.0723 after reaching 1.0731, its highest level since March 15; gains slow after European Central Bank President Lagarde said the bank is ready to respond to market developments. "The risk for European currencies has increased. Beyond the medium-term tightening in financial conditions, the risk that a fresh banking sector confidence crisis re-emerges is not negligible, write FX analysts at Barclays including Themistoklis Fiotakis.

❖ A gauge of emerging-market currencies started the week steady as anxiety over a banking crisis waned and investors assessed measures aimed at ensuring stability after the sale of Credit Suisse to UBS. The banking turmoil came ahead of the Federal Reserve's rate decision on Wednesday, with some analysts seeing a growing case for the central bank to pause its policy-tightening campaign. Prior to the weekend, most economists expected the Fed to hike its benchmark rate by a quarter percentage point. Some firms, including BofA, still expect the Fed to deliver a 25 basis-point increase, but anticipate what they call a "dovish hike." The VIX equivalent for emerging stocks retreats after soaring 17 percentage points at the open Monday, while US yields reversed an early decline to head higher. US-listed ETFs that track emerging-world stocks and bonds climbed. Currencies from Hungary, Brazil and Chile were among the biggest gainers for the session, while the South Korean won weakened. The Brazilian real gained as traders waited for any announcements on the nation's new fiscal framework. Brazil's budget board should meet on Tuesday as it seeks to move forward with the new fiscal proposal. Bolivia's dollar bonds sank to a record low; the South American nation has a \$22.5 million coupon payment due Monday on the 2028 note. Market metrics as of 4:10 p.m. in New York: MSCI EM Stock Index slid 0.8%. MSCI EM Currency Index rose 0.1%. Bloomberg Dollar Spot Index declined 0.4%. Brent Crude rose 1.1% to \$73.78. UST 10-year yield gained 6.2 basis points to 3.49%.

❖ Shorter-dated Indian govt bonds led gains after RBI Governor Shaktikanta Das said the worst of inflation is over. USD/INR forward premium rises to its highest level since October. 10-year yield fall 2bps to 7.33%; 5-year yield drops 4bps to 7.19%. The worst of inflation is behind us, Das said, adding that the economy remains "resilient." Governor Das' comments and the global situation are leading to bets that rates may have peaked in India, says Debendra Kumar Dash, head of fixed income at AU Small Finance Bank. Doesn't expect RBI to hike rates in the April policy. USD/INR rises 0.1% to 82.6387; fell 0.1% earlier in session. USD/INR 1-year annualized forward premium surges 16bps to 2.48%; rose to 2.5175%, highest since Oct. The rupee opened higher but fell with risk-off sentiment as market fears of more bank failures, recession and uncertainty over Fed rate hikes kept risky assets down, says Anil Kumar Bhansali, head of treasury at Finrex Treasury Advisory Services. USD/INR is expected to remain in broad 82-83 range and narrow 82.40-82.80 range as risk aversion continues in market. 1-year forward premiums have risen as rate hike expectations from the Fed fall and interest-rate differential between dollar and rupee widen. Barclays expects USD/INR to fall as it catches up with EMFX gains and on financial year-end USD inflows, according to a Barclays note. INR underperformed last week, likely on weak equity sentiment and foreign investor selling, despite the boost from lower oil prices. 4Q balance of payments data should confirm easing external pressure, evidenced by narrowing trade deficits. India to sell 390b rupees of t-bills on March 23.

### Key Market Levels for the Day

	S3	S2	S1	R1	R2	R3
USDINR Spot	82.2075	82.3075	82.4050	82.6025	82.7025	82.8550



**Nirmal Bang Securities - Bullion Technical Market Update**

**Gold Market Update**



Market View	
Open	59418
High	60455
Low	59232
Close	59506
Value Change	123
% Change	0.21
Spread Near-Next	581
Volume (Lots)	9992
Open Interest	8557
Change in OI (%)	-4.31%

**Gold - Outlook for the Day**

Gold prices has seen a sharp rally in the recent past and likely to witness some profit takings; so try to sell on rise around \$ 2000-2010 for the target of \$ 1950-1960.

**BUY GOLD APRIL (MCX) AT 59250 SL 59000 TARGET 59600/59800**  
**SELL GOLD APRIL (MCX) AT 59800 SL 60050 TARGET 59450/59300**

**Silver Market Update**



Market View	
Open	67140
High	68710
Low	67003
Close	68501
Value Change	1970
% Change	2.96
Spread Near-Next	882
Volume (Lots)	19147
Open Interest	13417
Change in OI (%)	13.48%

**Silver - Outlook for the Day**

Silver facing strong resistance around \$ 22.80-22.90; try to sell around \$ 22.70-22.80 for target of \$ 22.20-22.00.

**BUY SILVER MAY (MCX) AT 68500 SL 68000 TARGET 69200/69700**



**Nirmal Bang Securities - Currency Technical Market Update**

**USDINR Market Update**



Market View	
Open	82.64
High	82.75
Low	82.4875
Close	82.62
Value Change	0.005
% Change	0.01
Spread Near-Next	0.205
Volume (Lots)	2490528
Open Interest	2276075
Change in OI (%)	-2.93%

**USDINR - Outlook for the Day**

The 20-day exponential moving average was sustain today by the USDINR March futures closing price. The USDINR price developed a doji candlestick pattern. The pair taken support of 20-days EMA placed at 82.59. The MACD has given crossover above zero-line. The momentum indicator RSI is trailing between 50 to 55 on the daily chart. We are anticipating USDINR March futures to trade in the range of 82.40–82.80 for today.

**Key Market Levels for the Day**

	S3	S2	S1	R1	R2	R3
USDINR March	82.3050	82.4025	82.5050	82.7575	82.8525	82.9550



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