

## Daily Bullion Physical Market Report

Date: 22<sup>nd</sup> July 2024

### Daily India Spot Market Rates

Description	Purity	AM	PM
Gold	999	73273	73240
Gold	995	72980	72947
Gold	916	67118	67088
Gold	750	54955	54930
Gold	585	42865	42845
Silver	999	89300	88983

Rate as exclusive of GST as of 19<sup>th</sup> July 2024 Gold is Rs/10 Gm & Silver in Rs/Kg

### Gold and Silver 999 Watch

Date	GOLD*	SILVER*
19 <sup>th</sup> July 2024	73979	91555
18 <sup>th</sup> July 2024	73979	91555
16 <sup>th</sup> July 2024	73339	92014
15 <sup>th</sup> July 2024	72932	91835

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

### COMEX Futures Watch

Description	Contract	Close	Change	%Chg
Gold(\$/oz)	AUG 24	2446.80	-3.60	-0.14
Silver(\$/oz)	SEPT 24	29.30	-0.15	-0.50

### ETF Holdings as on Previous Close

ETFs	In Tonnes	Net Change
SPDR Gold	840.01	-2.01
iShares Silver	13,556.58	0.00

### Gold and Silver Fix

Description	LTP
Gold London AM Fix(\$/oz)	2415.80
Gold London PM Fix(\$/oz)	2403.50
Silver London Fix(\$/oz)	29.11

### Bullion Futures DGCX

Description	Contract	LTP
Gold(\$/oz)	AUG 24	2400.4
Gold Quanto	AUG 24	73010
Silver(\$/oz)	SEPT 24	29.40

### Gold Ratio

Description	LTP
Gold Silver Ratio	83.51
Gold Crude Ratio	30.54

### Weekly CFTC Positions

	Long	Short	Net
Gold(\$/oz)	241474	21115	220359
Silver	57063	18425	38638

### MCX Indices

Index	Close	Net Change	% Chg
MCX iCOMDEX Bullion	18949.23	-331.32	-1.75 %

### Macro-Economic Indicators

Time	Country	Event	Forecast	Previous	Impact
22 <sup>nd</sup> July 06:00 PM	United States	NO DATA	-	-	Low

## Nirmal Bang Securities - Daily Bullion News and Summary

❖ Gold fell for a third day on Friday; on pace for its first weekly loss in four, amid speculation its rally to an all-time high earlier this week may have gone too far. Bullion dropped as much as 2.1% on Friday; two days after the precious metal hit a fresh record of \$2,483.73 an ounce. The surge to a new all-time high came as traders ramped up bets on earlier, deeper monetary easing from the Federal Reserve and sought haven in gold amid growing geopolitical risks. Still, ETFs extended a sixth straight day of inflows, adding 87,612 troy ounces of gold to their holdings in the last trading session. That pares this year's net sales to 3.46 million ounces, according to data compiled by Bloomberg. Some investors viewed those gains as excessive. A slowdown in seasonal demand for physical gold may weigh on prices if interest from tactical investors and inflows into exchange-traded funds are not sustained, according to Suki Cooper, an analyst at Standard Chartered Plc. "We remain cautious of a softer floor in the coming weeks," she wrote in a note.

❖ Zimbabwe's largest gold producer is negotiating with potential partners for a \$150 million investment to boost production at its Shamva mine by 50%. Kuvimba Mining House Ltd. — 100% owned by the state — has already undertaken feasibility study for a large-scale mine and processing plant, according to acting Chief Executive Officer Trevor Barnard. "We are discussing that with potential partners to go forward," Barnard told reporters in the capital, Harare on Monday. "This is a resource which is really significant, it's large, it's high quality." Zimbabwe bought Shamva from Metallon Gold in 2020 as part of push to acquire mining assets in the country. Kuvimba has also rolled out a system, developed by Comstack Ltd., to track gold output, the CEO said. "It enhances our gold traceability system from the mine to the market," he said. "It is important we have regulatory compliance, not only within Zimbabwe but also internationally.

❖ Money managers have increased their bullish gold bets by 28,756 net-long positions to 220,359, weekly CFTC data on futures and options show. The net-long position was the most bullish in more than four years. Long-only positions rose 32,439 lots to 241,474 in the week ending July 16. The long-only total was the highest in more than four years. Short-only positions rose 3,683 lots to 21,115. The short-only total was the highest in seven weeks. Money managers have decreased their bullish silver bets by 1,165 net-long positions to 38,638, weekly CFTC data on futures and options show. Long-only positions rose 999 lots to 57,063 in the week ending July 16. The long-only total was the highest in six weeks. Short-only positions rose 2,164 lots to 18,425. The short-only total was the highest in three weeks.

❖ Money managers' wagers in gold jumped to the highest level in four years, signaling investor concerns surrounding the US presidential election campaign as well as renewed focus on the timing of Federal Reserve interest-rate cuts. Hedge funds and other large speculators boosted their net-long position in gold, often used as a hedge against rising political and economic uncertainty, to the highest in more than four years as of July 16, weekly US government data published Friday showed. Bullion hit an all-time high of \$2,483.73 an ounce on Wednesday. The surge to a new record came as traders ramped up bets on earlier, deeper monetary easing from the US central bank and sought haven in the precious metal amid growing geopolitical risks.

❖ The coming hours will definitely be interesting across markets, and the signals will be pretty hard to discern. Gold could send a pretty clear one though, with a fresh record high in reach should traders lean into the idea that Trump will push for a weaker US dollar should he win election. There are also those who will see it as a haven in light of heightened uncertainty, no matter which way near-term polling leans in the US. Still, the clearest input into gold prices should remain the dollar. Trump and running-mate Vance express a desire to see the world's reserve currency retreat, so the impetus for the precious metal should be higher. That could put record highs above \$2,500 in play if Trump is seen as a clear victor even against a new democratic challenger -- whoever that turns out to be.

❖ Federal Reserve Bank of New York President John Williams said the longer-term trends that led to declines in neutral levels for interest rates before the pandemic still prevail. "My own Holston-Laubach-Williams estimates for r-star in the United States, for Canada and the euro area are about the same level as they were before the pandemic," Williams said Friday on a panel organized by the Central Reserve Bank of Peru, referring to his model's estimate for the neutral rate which neither stimulates nor slows the economy. That suggests underlying trends that supported low rates pre-pandemic "are still very much intact," Williams said. The New York Fed chief said earlier this week that inflation readings in recent months have been encouraging, but he wants to see more data to be confident it's headed back to the Fed's 2% target. He said officials will learn a lot between July and September, when policymakers are widely expected to begin reducing borrowing costs. Williams is one of the last Fed officials to speak before they go into a quiet period ahead of their July 30-31 policy meeting. His remarks on the neutral rate play into a debate at the central bank about where interest rates are likely to settle once inflation has returned to 2%. In June, policymakers published projections showing they believed the neutral rate had risen to around 2.8%, from 2.5% before the pandemic, according to their median estimate.

**Fundamental Outlook:** Gold and silver prices are trading higher today on the international bourses. We expect gold and silver prices to trade ranger-bound to higher for the day, as markets weighed President Joe Biden's decision to end his re-election bid, which sparked fresh questions over whether the move will help or hinder Donald Trump's chances of returning to the White House.

### 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	28.85	29.10	29.30	29.50	29.80	30.00
Gold – MCX	August	72600	72850	73000	73200	73450	73700
Silver – MCX	September	88200	89000	89800	90600	91200	92000

### Nirmal Bang Securities - Daily Currency Market Update

#### Dollar Index

LTP/Close	Change	% Change
104.40	0.42	0.41

#### Bond Yield

10 YR Bonds	LTP	Change
United States	4.2389	0.0369
Europe	2.4660	0.0360
Japan	1.0440	0.0020
India	6.9630	-0.0040

#### Emerging Market Currency

Currency	LTP	Change
Brazil Real	5.5978	0.0533
South Korea Won	1390.65	7.1000
Russia Rubble	87.8996	-0.5004
Chinese Yuan	7.2699	0.0078
Vietnam Dong	25333	15
Mexican Peso	18.0482	0.0836

#### NSE Currency Market Watch

Currency	LTP	Change
NDF	83.81	0.05
USDINR	83.6975	0.04
JPYINR	53.1875	-0.3325
GBPINR	108.0775	-0.5525
EURINR	91.0925	-0.365
USDJPY	157.27	1.08
GBPUSD	1.2922	-0.0052
EURUSD	1.0885	-0.0048

#### Market Summary and News

❖ India's foreign exchange reserves posted their biggest weekly rise in four months as investors bought the nation's stocks and bonds following the country's inclusion in the JPMorgan Chase & Co.'s emerging markets bond index. The stockpile rose \$9.7 billion to \$666.9 billion as of July 12, data from the Reserve Bank of India showed Friday. It was the sharpest weekly rise since early March. Foreign investors have poured money into India's markets this year as they look for alternatives to Chinese equities and after JPMorgan announced the inclusion of India's bonds into its key index. So far this month, foreign investors bought \$2.9 billion in equities and over \$1 billion in bonds. The rupee weakened further this week and is hovering near its record low of 83.67 against the dollar amid broader strength in the US currency. Rising reserves gives the central bank more ammunition to prevent a rapid slide in the rupee. By absorbing the foreign inflows, the RBI has kept the rupee relatively stable compared with other currencies in the region. The RBI plans to use reserves as its first line of defense to stabilize the currency and manage the additional inflows coming from the bond index inclusions, Bloomberg reported earlier.

❖ The rupee closes at a fresh low amid weakness in regional currencies spurred by a stronger dollar. Interest-rate swaps log a third weekly drop. USD/INR little changed at 83.66; up 0.2% this week. India sells 310b rupees of bonds on Friday as planned: RBI statement. 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 the spot market in May, according to its latest bulletin. 10-year yields steady at 6.96%; down 2bps this week. Traders look forward to the July 23 budget. 1-year OIS up 1bp to 6.7137%; down 3bps on the week; India's central bank needs to "unambiguously" focus on inflation as growth is holding up and neutral rate cannot determine monetary policy, Governor Shaktikanta Das said. "Our target is inflation, not neutral rate of interest," said Das at the Financial Express' Modern BFSI Summit in Mumbai on Friday. Neutral rate is a theoretical concept and cannot determine monetary policy. A segment of the market expects a slower pace of fiscal consolidation and changed policy priorities ahead, but we don't see massive policy pivots. Though economic trade-offs stay challenging amid reducing the fiscal impulse to growth, the policy spirit is unlikely to be derailed. The fiscal buffer from RBI's excess dividend of 0.4% would be disproportionately directed toward allocation for the rural/farm/welfare sector, while capex may increase slightly. Though net borrowing at Rs 11.4t would be ~INR300b lower than the Interim, small savings are likely to fund 27.8% of GFD. At-the-money one-month implied volatility available only for USD/INR and EUR/INR, 30-day historical volatility used for other pairs. Volatility rank shows how current volatility compares with the 1-year high-to-low range of volatility.

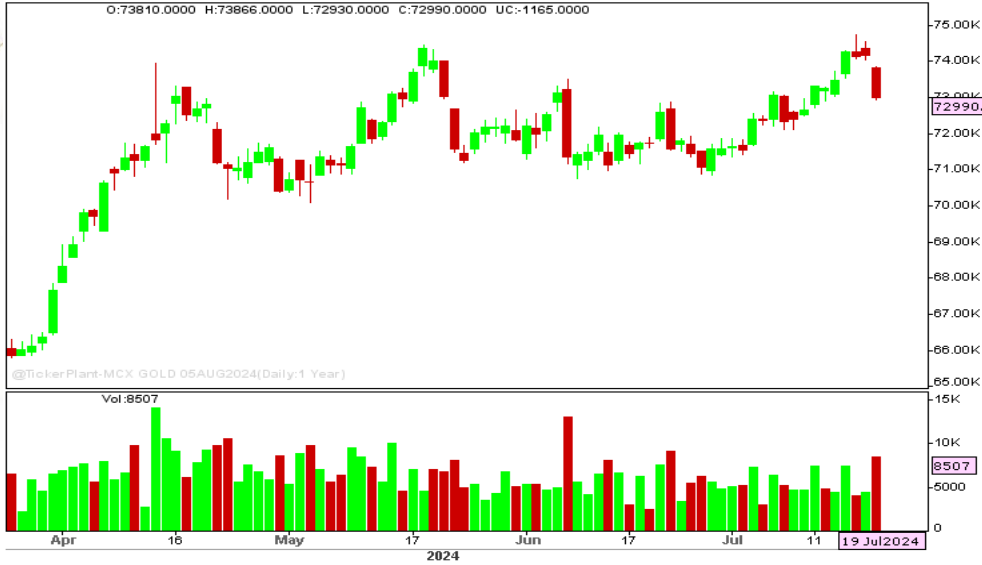
❖ The dollar rose as the impact of widespread technical outages that disrupted businesses across the globe, including banks and trading firms, dissipated. The yen edged lower against the greenback but remained on pace for a third straight week of gains, the longest run this year. Bloomberg Dollar Spot Index up 0.2% and headed for first week of gains this month. Bias for risk-off trading given news of IT failures that are now reportedly being addressed; higher-beta Scandies leading G-10 losses against the dollar; while US stocks trade lower across the board. Elsewhere, focus remains on US politics as calls mount for President Joe Biden to step aside as candidate. "The bond markets are messy and confused with the odds of the Trump trade playing out linked to the question of whether the Democrats switch from Biden to someone else," wrote Bob Savage, head of markets strategy and insights at BNY Mellon. "The pressure on markets from the fear of new US policy with higher tariffs and weaker USD is in play with polling now part of the market screen." USD/JPY rises 0.1% to 157.49; pair still headed for a 0.2% drop on the week. Japan's consumer prices excluding fresh food gained 2.6% from a year ago, quickening from 2.5% in May on slightly higher energy costs. Japanese Finance Minister Shunichi Suzuki said he will present his view on a range of international topics including FX markets in Rio de Janeiro next week. EUR/USD declines 0.2% to 1.0878; hedge funds turned bearish the euro through options on a tactical basis, two Europe-based traders said. USD/CHF up 0.2% to 0.8892; GBP/USD down 0.3% to 1.2910; moving lower to track euro momentum. Loonie trades to weakest since July 2 after soft retail sales reading; USD/CAD rises as much as 0.3% to 1.3748 sessions high. May retail sales fell 0.8% month-over-month versus 0.6% drop expected. "While rate cuts from the Bank of Canada will very gradually help improve household debt servicing costs, there remain headwinds to spending from a labor market that is now weakening more rapidly," wrote Citi economists Gisela Hoxha and Veronica Clark after the data.

#### Key Market Levels for the Day

	S3	S2	S1	R1	R2	R3
USDINR SPOT	83.5450	83.5825	83.6375	83.7025	83.7525	83.8050

## Nirmal Bang Securities - Bullion Technical Market Update

### Gold Market Update

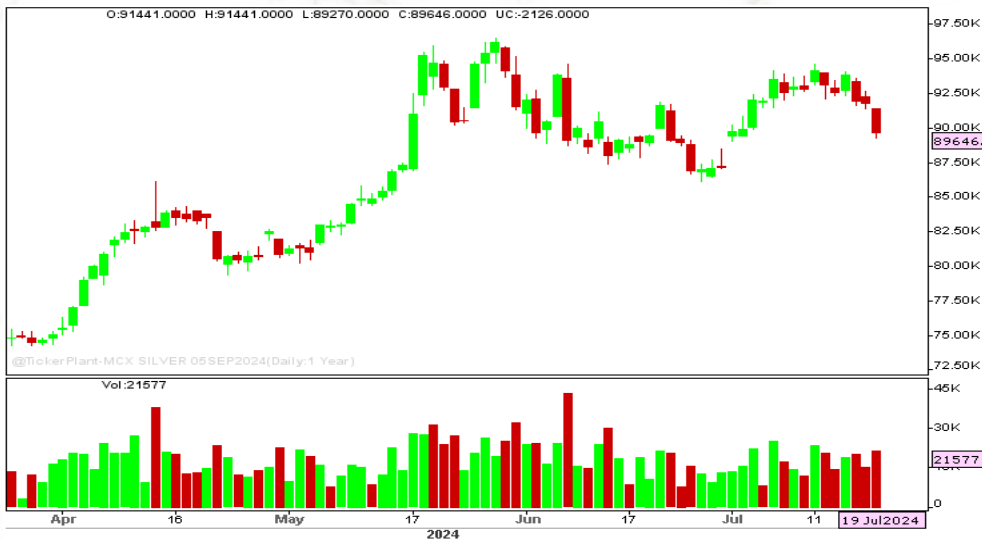


Market View	
Open	73810
High	73866
Low	72930
Close	72990
Value Change	-1165
% Change	-1.57
Spread Near-Next	481
Volume (Lots)	8507
Open Interest	10735
Change in OI (%)	-15.99%

### Gold - Outlook for the Day

**BUY GOLD AUG (MCX) AT 72850 SL 72600 TARGET 73200/73450**

### Silver Market Update



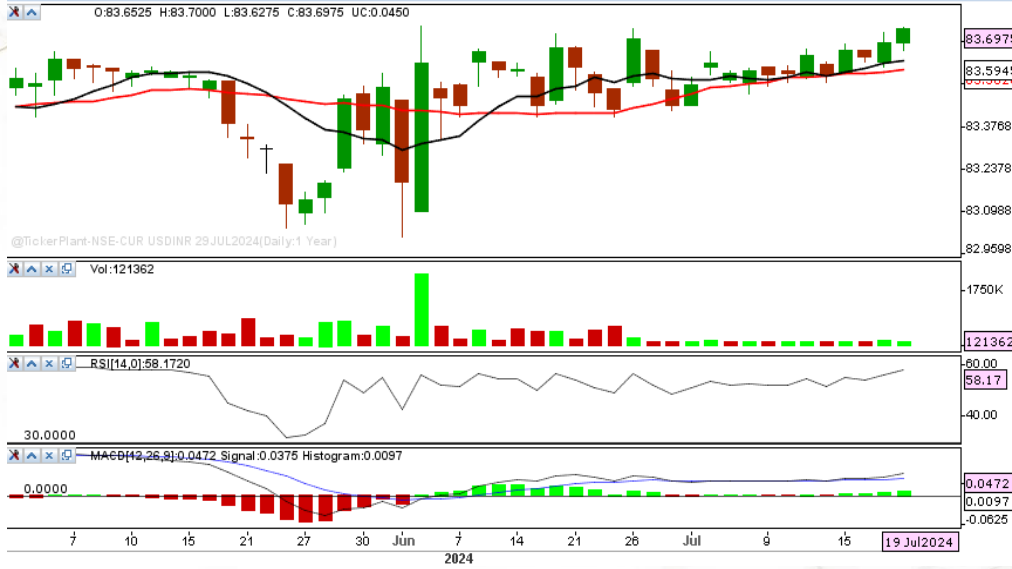
Market View	
Open	91441
High	91441
Low	89270
Close	89646
Value Change	-2126
% Change	-2.32
Spread Near-Next	2516
Volume (Lots)	21577
Open Interest	26279
Change in OI (%)	8.66%

### Silver - Outlook for the Day

**SELL SILVER SEPT (MCX) AT 90600 SL 91300 TARGET 89200/88800**  
**BUY SILVER SEPT (MCX) AT 88800 SL 88200 TARGET 89500/90000**

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

**USDINR Market Update**



Market View	
Open	83.6525
High	83.7000
Low	83.6275
Close	83.6975
Value Change	0.0400
% Change	0.0478
Spread Near-Next	-0.3705
Volume (Lots)	121362
Open Interest	2463135
Change in OI (%)	0.36%

**USDINR - Outlook for the Day**

The USDINR future witnessed a flat opening at 83.65, 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 given breakout from its choppy range of 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 83.65 and 83.75.

**Key Market Levels for the Day**

	S3	S2	S1	R1	R2	R3
USDINR JULY	83.5525	83.6050	83.6575	83.7125	83.7550	83.8075

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