



Daily Bullion Physical Market Report

Date: 25th January 2023

Daily India Spot Market Rates

Description	Purity	AM	PM
Gold	999	57362	57322
Gold	995	57132	57092
Gold	916	52544	52507
Gold	750	43022	42992
Gold	585	33557	33533
Silver	999	68006	68137

*Rate as exclusive of GST as of 24th January 2023 Gold is Rs/10 Gm & Silver in Rs/Kg

Gold and Silver 999 Watch

Date	GOLD*	SILVER*
24 th January 2023	57322	68137
23 rd January 2023	57044	68273
20 th January 2023	57050	68453
19 th January 2023	56670	67444

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

COMEX Futures Watch

Description	Contract	Close	Change	%Chg
Gold(\$/oz)	FEB 23	1952.20	6.80	0.35
Silver(\$/oz)	MAR 23	23.75	0.20	0.83

ETF Holdings as on Previous Close

ETFs	Long	Short
SPDR Gold	917.34	0.29
iShares Silver	14,844.14	572.21

Gold and Silver Fix

Description	LTP
Gold London AM Fix(\$/oz)	1936.50
Gold London PM Fix(\$/oz)	1920.75
Silver London Fix(\$/oz)	23.71

Bullion Futures DGCX

Description	Contract	LTP
Gold(\$/oz)	FEB. 23	1938.5
Gold Quanto	FEB. 23	56989
Silver(\$/oz)	MAR. 23	23.80

Gold Ratio

Description	LTP
Gold Silver Ratio	82.20
Gold Crude Ratio	24.36

Weekly CFTC Positions

	Long	Short	Net
Gold(\$/oz)	145586	52229	93357
Silver	47033	18991	28042

MCX Indices

Index	Close	Net Change	% Chg
MCX iCOMDEX Bullion	15673.20	66.27	0.42 %

Macro-Economic Indicators

Time	Country	Event	Forecast	Previous	Impact
25th January 07:00 pm	United States	NO DATA	-	-	Low



Nirmal Bang Securities - Daily Bullion News and Summary

❖ Gold swung between gains and losses as traders assessed the Federal Reserve's rate hike path following latest US economic data. US business activity contracted for a seventh month, though at a more moderate pace, while a measure of input prices firmed in a sign of lingering inflationary pressures. The S&P Global flash January composite purchasing manager's index rose 1.6 points to 46.6, the group reported Tuesday. Readings below 50 indicate falling activity. The gauge of input prices climbed for the first time since May. Bullion has risen more than 6% this year on bets the Federal Reserve will cut rates as the US economy weakens. Holdings of gold ETFs were little-changed so far this year. In 2022, the holdings fell 3.8%. More data, including the central bank's favored inflation metric, are due later in the week, and they will be scrutinized for signs the economy is weakening due to the Fed's monetary policy.

❖ Gold shipments from Europe's key refining hub rose to 150.1 tons last month from 129 tons in November as sales to China surged, according to data on the website of Swiss Federal Customs Administration. Shipments to China rose 80% to 62.7 tons. Sales to Turkey increased 24% to 31.1 tons. Exports to India fell 79% to 4.8 tons. Exports to the UK climbed 22% to 1.8 tons. Sales to US rose 119% to 3.8 tons. Exports to Hong Kong rose to 13.2 tons from 0.06 tons. Swiss gold imports fell 14% to 201.7 tons. Imports of Russian gold were 4.7 tons.

❖ Gold stands on the cusp of a bull market after a powerful rally that began in September, accelerated last quarter, and now stands as one of the more intriguing features of commodity markets in early 2023. The old haven merits close scrutiny over the remainder of the global trading day in Europe and then the Americas. Not everyone likes the bull/bear market framework, of course, as the distinctions are, at root, arbitrary. But others do, and they offer a familiar way to think about trends in asset prices over time. As such, they seem to carry more weight in equities than in raw materials. In many instances, a bull market is measured on a closing basis, and taken to be a 20% move up from a significant low. Given bullion bottomed last September at ~\$1,622/oz, up by a fifth would be ~\$1,947/oz. It was last at ~\$1,939/oz, so touching distance. Gold has benefited from the growing sense that the Fed is now pretty close to ending its rate-hike campaign. That's brought weakness in the dollar. Real Treasury yields have come back in, too. On top of that, central banks have been buying and are likely to continue doing so. One big riddle in the mix has been a marked shrug from ETF holders. Maybe checking the bull-market box may encourage a few to lose their reticence.

❖ With the Federal Reserve's Feb. 1 interest-rate decision a week away, traders in the options market are contemplating a scenario in which the rate hike it's expected to deliver ends up being the last one of the tightening cycle. Ahead of next week's policy meeting, activity in options tied to the Secured Overnight Financing Rate has mostly been geared toward hedging against dovish outcomes, as well as outright bets that stand to benefit if investors scale back expectations for additional Fed tightening in coming months. Already, about half a percentage point of rate cuts are priced in for the second half of the year. The swaps market has over the last week been steadily pricing around 48 basis points of rate hikes over the next two policy meetings. That implies a small chance — approximately 8% — that if the Federal Reserve raises its benchmark rate by a quarter point next week, it could be the central bank's final move in a tightening cycle that has marked the most aggressive action against inflation in several decades.

❖ The European Central Bank should continue lifting interest rates in half-point steps as workers secure bigger paychecks and underlying inflation pressures remain strong, according to Governing Council member Gediminas Simkus. There are no grounds to depart from the rate path laid out by the ECB in December — even as energy prices plunge and headline inflation comes off record highs, the Lithuanian central bank chief said in an interview in Vilnius. Monetary tightening may not finish before the summer, he said. "Core inflation remains strong and demonstrates that the fight against inflation is not over," Simkus said Tuesday. "There's a strong case for staying on the course that's been set for the coming meetings of 50 basis-point increases. In my opinion, these 50 basis-point increases must be taken unequivocally." The remarks are the latest salvo in an unfolding debate about whether receding price pressures will soon warrant smaller rate hikes. A second straight half-point increase at next week's meeting appears to be a done deal, taking the deposit rate to 2.5%. But beyond that, the relative unity that officials have displayed during the 250 basis points of tightening to date is likely to be tested. Hawks like Simkus, however, have been louder of late. Dutch central bank head Klaas Knot backs a series of bigger moves to bring inflation under control, while Bundesbank President Joachim Nagel agrees that more action is needed. President Christine Lagarde has pledged that the ECB will "stay the course" as borrowing costs reach restrictive levels.

❖ **Fundamental Outlook:** Gold and silver prices are trading slightly lower today on international bourses. We expect precious metals prices on Indian bourses to trade range-bound to slightly lower for the day. We recommend sell on rise in gold and silver in intra-day trading sessions, after gold steadied after reaching its highest closing price in nine months, with its haven status bolstered by the latest US data that spotlighted growing recessionary fears even as inflationary pressures remain.

Key Market Levels for the Day

Time	Month	S3	S2	S1	R1	R2	R3
Gold – COMEX	February	1855	1875	1895	1925	1945	1965
Silver – COMEX	March	23.35	23.65	23.85	24.10	24.25	24.50
Gold – MCX	February	56550	56800	56950	57100	57300	57550
Silver – MCX	March	67200	67800	68500	68800	69300	69800



Nirmal Bang Securities - Daily Currency Market Update

Dollar Index

LTP/Close	Change	% Change
101.92	-0.22	-0.22

Bond Yield

10 YR Bonds	LTP	Change
United States	3.4527	-0.0571
Europe	2.1490	-0.0520
Japan	0.4190	0.0280
India	7.3450	-0.0050

Emerging Market Currency

Currency	LTP	Change
Brazil Real	5.1423	-0.0536
South Korea Won	1235.55	3.1000
Russia Rubble	69.3299	0.4115
Chinese Yuan	6.7845	0.009
Vietnam Dong	23449	0
Mexican Peso	18.7952	-0.0223

NSE Currency Market Watch

Currency	LTP	Change
NDF	81.74	-0.04
USDINR	81.665	0.2025
JPYINR	62.77	0.0875
GBPINR	100.535	-0.1975
EURINR	88.7075	-0.0175
USDJPY	130.11	0.13
GBPUSD	1.231	-0.0052
EURUSD	1.0868	-0.0026

Market Summary and News

❖ India's first sovereign green bond will go to auction Wednesday, and policy makers have laid the groundwork to ensure a successful debut. Authorities have promoted the 80 billion rupee (\$984 million) issue to the country's biggest domestic asset managers, including state-run insurers and pension funds as well as foreign investors. Expectation is of strong demand for India's first issuance of sovereign green debt from both domestic as well as foreign portfolio investors. This offering will be sold in 5-year and 10-year tenors via a uniform price auction on Jan. 25; a second, similar offering is set for Feb. 9. Its proceeds will be used for unspecified projects that align with India's green bond framework. The bonds will be issued under the Fully Accessible Route, which allows unlimited holdings by foreigners, but some foreign investors may be put off by currency risks. The Indian issue also allows proceeds to be used for compressed natural gas in public transport, which may limit appeal to some green investors. There is no ready mandate for domestic entities to buy green bonds and there is a need to create awareness about it. Indian companies typically issue green bonds on the offshore market, where demand has been robust. A recent \$1 billion issue by the Export-Import Bank of India was oversubscribed by more than 100%. This sovereign auction is over-subscribed and the cutoff yield materially lower than regular government bonds, it would encourage larger green issuance next year. The government is testing waters by issuing a rupee green bond. It will be interesting to see whether the global green pool of funds is willing to invest in a INR issue.

❖ The value of the Reserve Bank of India's foreign currency reserves surged in the week ended Jan. 13, even as it probably sold FX assets according to our estimates. The jump was likely driven by mark-to-market gains on foreign portfolio holdings and valuation gains on its non-dollar FX assets. The RBI's FX reserves rose by \$10.4 billion to \$572 billion. Estimation is that the central bank sold \$1.7 billion of its FX assets during the week. The value of its FX assets increased by \$9.1 billion. This implies a valuation gain of around \$10.7 billion. The DXY, a broad measure of the dollar, depreciated by about 1.6%. This likely boosted the value of non-dollar FX reserves in US currency terms. Declines in global bond yields during the week also probably resulted in mark-to-market gains on foreign treasury holdings boosting the stockpile.

❖ The UK government sank deeper into debt in December as rising debt-interest payments and the cost of insulating consumers and businesses from the energy-price shock strained the public finances. The budget deficit stood at a record £27.4 billion (\$34 billion), almost triple the £10.7 billion shortfall a year earlier, the Office for National Statistics said Tuesday. Economists had forecast a reading of £17.3 billion. The figures underscore risks to the UK economy as Prime Minister Rishi Sunak struggles to contain inflation near a four-decade high and strikes crippling the public services. A recession likely this year is expected to further dry up tax revenue and expand the deficit. The deterioration dashes hopes that borrowing was on a downward path. The deficit in the first nine months of the year was £128.1 billion up £5 billion from a year earlier and officials expect 10s of billions to be added in the final three months of 2022-23. Public sector debt was £2.2 trillion, or around 88% of gross domestic product. The deficit was driven by £17.3 billion pounds of debt interest costs, the second-highest monthly figure on record. About a quarter of all UK government bonds are linked to the retail price index of inflation, which has surged to its highest level in decades. Almost £14 billion of those payments went directly to index-linked debt. Inflation affects debt costs with a two-month lag, meaning December bore the brunt of a surge in the RPI in October to a peak of 14.2%.

❖ US Treasury Secretary Janet Yellen said she's encouraged by progress on inflation, with energy prices and supply-chain issues easing across the globe even as the US labor market remains strong. "We're seeing those supply-chain problems significantly mitigate, inventories are being built, shipping costs have come down," Yellen told reporters after visiting a community health center in Lusaka, Zambia's capital. "And so that part of inflation is no longer really contributing very significantly." Several measures of inflation have shown encouraging signs in recent weeks, including declines in the consumer price index, which fell to 6.5% in the year through December, off its high of 9% in June. Producer prices have also declined faster than expected. In response, Treasuries have surged, with investors betting the Federal Reserve will stop raising rates and begin reducing borrowing costs sooner than policymakers are currently projecting. Yellen also said that goods prices moved down late in 2022 and that she expected housing inflation, a particularly strong contributor to price pressures in the second half of the year to cool by mid-2023.

Key Market Levels for the Day

	S3	S2	S1	R1	R2	R3
USDINR Spot	80.8000	81.0000	81.2000	81.6500	81.8000	81.9500



Nirmal Bang Securities - Bullion Technical Market Update

Gold Market Update



Market View	
Open	56986
High	57125
Low	56775
Close	56969
Value Change	154
% Change	0.27
Spread Near-Next	427
Volume (Lots)	6284
Open Interest	7467
Change in OI (%)	-13.57%

Gold - Outlook for the Day

Gold Prices are hitting strong resistance around \$ 1932-35 levels, we are recommending to go short around \$ 1935-38, it may test \$ 1910-1905.

SELL GOLD FEB (MCX) AT 57100 SL 57300 TARGET 56850/56750

Silver Market Update



Market View	
Open	68212
High	68700
Low	67800
Close	68542
Value Change	578
% Change	0.85
Spread Near-Next	1105
Volume (Lots)	20057
Open Interest	17361
Change in OI (%)	4.35%

Silver - Outlook for the Day

Silver prices are trading ranged bound between \$ 24.00-23.45. We are recommending to trade within the range either way breakout with strong volume may set the trend change.

SELL SILVER MARCH (MCX) AT 69000 SL 69500 TARGET 68300/67800



Nirmal Bang Securities - Currency Technical Market Update

USDINR Market Update



Market View	
Open	81.4
High	81.7825
Low	81.4
Close	81.665
Value Change	0.2025
% Change	0.25
Spread Near-Next	0.7239
Volume (Lots)	3203930
Open Interest	2876114
Change in OI (%)	-6.86%

USDINR - Outlook for the Day

USDINR witnessed a weak open at 81.40 followed by green session marking high at 81.78 with closure near the same. USDINR has formed a long green candle with closure on a positive note. The pair on the daily chart pair has closed above short term SMA indicating support coming in USDINR. USDINR, if trades below 81.42, pair will head towards 81. Whereas, momentum above 81.78; will lead the pair to test the high of 81.95. The daily strength indicator RSI and momentum oscillator Stochastic both are trading below their reference line indicating weakness ahead.

Key Market Levels for the Day

	S3	S2	S1	R1	R2	R3
USDINR December	80.8000	81.0000	81.3000	81.7500	81.9500	82.1500



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Since 1919



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