India Bullion and Jewellers Associations Ltd. (IBJA) Since 1919

Daily Bullion Physical Market Report

Date: 25th January 2024

Daily India Spot Market Rates

Description	Purity	AM	PM
Gold	999	62435	62591
Gold	995	62185	62340
Gold	916	57191	57333
Gold	750	46826	46943
Gold	585	36525	36616
Silver	999	70475	71072

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*
24th January 2024	62591	71072
23rd January 2024	62355	70311
19th January 2024	62390	71228
18th January 2024	61970	70898

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

COMEX Futures Watch

Description	Contract	Close	Change	%Chg
Gold($/oz)	FEB 24	2035.20	-10.00	-0.49
Silver($/oz)	MAR 24	22.89	0.43	1.90

ETF Holdings as on Previous Close

ETFs	In Tonnes	Net Change
SPDR Gold	858.93	0.00
iShares Silver	13,998.65	42.70

Gold and Silver Fix

Description	LTP
Gold London AM Fix($/oz)	2030.50
Gold London PM Fix($/oz)	2024.65
Silver London Fix($/oz)	22.77

Bullion Futures DGCX

Description	Contract	LTP
Gold($/oz)	FEB. 24	2013.5
Gold Quanto	FEB. 24	62153
Silver($/oz)	MAR. 24	22.80

Gold Ratio

Description	LTP
Gold Silver Ratio	88.92
Gold Crude Ratio	27.10

Weekly CFTC Positions

	Long	Short	Net
Gold($/oz)	146608	45974	100634
Silver	31532	25502	6030

MCX Indices

Index	Close	Net Change	% Chg
MCX iCOMDEX Bullion	15979.61	51.76	0.32 %

Macro-Economic Indicators

Time	Country	Event	Forecast	Previous	Impact
25th January 06:45 PM	Europe	Main Refinancing Rate	4.50%	4.50%	High
25th January 07:00 PM	United States	Advance GDP q/q	2.0%	4.9%	High
25th January 07:00 PM	United States	Unemployment Claims	199K	187K	High
25th January 07:00 PM	United States	Advance GDP Price Index q/q	2.3%	3.3%	Medium
25th January 07:00 PM	United States	Core Durable Goods Orders m/m	0.2%	0.4%	Medium
25th January 07:00 PM	United States	Durable Goods Orders m/m	1.2%	5.4%	Medium
25th January 07:15 PM	Europe	ECB Press Conference	-	-	High
25th January 08:30 PM	United States	New Home Sales	648K	590K	Medium

Nirmal Bang Securities - Daily Bullion News and Summary

❖ Gold slipped yesterday after a gauge of US business activity topped estimates, with traders assessing the prospects of the Federal Reserve's monetary easing this year. The S&P Global flash composite output index expanded in January by the most in seven months, led by stronger orders growth that left service providers and manufacturers more confident about the demand outlook. Treasuries erased gains after the print, weighing on bullion. An index of manufacturers' selling prices increased to the highest level since April, adding to signs of resilience in the world's largest economy. That indicates the Fed may not need to quickly pivot to interest-rate cuts, which would be negative for gold as higher borrowing costs typically reduce the appeal of non-interest-bearing bullion. Swaps markets are now pricing in a less-than-50% chance for a March reduction, down from about 75% at the beginning of the year. Investors will be watching fresh data later this week for clues on the Fed's rate path. They include fourth-quarter GDP due Thursday and the core personal consumption expenditures index on Friday — the central bank's preferred gauge of underlying inflation.

❖ Exchange-traded funds cut 14,205 troy ounces of gold from their holdings in the last trading session, bringing this year's net sales to 1.27 million ounces, according to data compiled by Bloomberg. This was the fourth straight day of declines. The sales were equivalent to $28.8 million at yesterday's spot price. Total gold held by ETFs fell 1.5 percent this year to 84.3 million ounces, the lowest level since Jan. 28, 2020. Gold declined 1.6 percent this year to $2,030.08 an ounce and rose 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 27.6 million ounces has a market value of $56.1 billion. ETFs added 15.9 million troy ounces of silver to their holdings in the last trading session, bringing this year's net purchases to 10.4 million ounces. This was the biggest one-day increase since Jan. 23, 2023.

❖ The euro-area composite PMI will probably make the European Central Bank think that resisting interest-rate cuts until June is the right course of action. The survey suggests the economy of the monetary union isn't collapsing under the weight of higher borrowing costs, despite weakness in the bloc's two largest economies, and inflation is proving difficult to tame. The headline reading rose to 47.9 in January from 47.6 in December. The median forecasts of economists surveyed by Bloomberg News were for a rise to 48.0. The latest reading is above the average for the previous three months of 47.2. That suggests GDP growth is accelerating at the start of the first quarter, although the reading for January is consistent with the economy contracting by 0.3% in 1Q24. The change in the level is probably more important than the actual level. The national breakdown revealed weakness in the monetary union's two largest economies. The composite figure for France fell to 44.2 from 44.8 and that for Germany dropped to 47.1 from 47.4. The German economy was hit harder in 2023 by higher borrowing costs and weaker global demand because of its dependency on manufacturing, although activity in France also lost momentum going into the second half of last year. Bloomberg Economics expects both economies to start recovering going into 2024, with GDP expanding by 0.2% in 1Q24 in both countries, but the latest PMI figures add downside risks to that view. In the euro area, the recovery was led by the manufacturing sector. Its reading rose to 46.6 from 44.4. By contrast, the figure for services fell to 48.4 from 48.8. Manufacturing is more sensitive to the business cycle than services and this may be an early sign of a cyclical recovery.

❖ British companies reported a jump in the prices they pay due to attacks on shipping in the Red Sea upsetting supply chains, a shift that may boost inflation and delay interest-rate reductions. 0S&P Global's Composite Purchasing Managers' Index showed the sharpest jump in costs in five months in January with delivery times lengthening for the first time in 12 months. A separate survey from the Confederation of British Industry said average costs for manufacturers accelerated in the quarter to January, with further price rises expected in the coming months. The reports were the first tangible signs that the Red Sea conflict is seeping through to the UK economy and triggered investors to pare back bets on how quickly the Bank of England can cut interest rates. The pound jumped, and markets priced in a slower pace of reductions in borrowing costs. Concerns over supply chains problems were a dark spot in an otherwise upbeat S&P survey that also indicated a likelihood that the UK will avoid a recession. Stronger activity and upward pressure on prices cast doubt on how quickly the Bank of England will pivot away from its fight against inflation and move toward protecting the economy with lower rates.

❖ The Federal Reserve raised the rate on loans to banks issued under an emergency lending program launched last year, after borrowing surged in recent weeks as institutions took advantage of the attractive financing terms. The Fed's Bank Term Funding Program, unveiled during the regional banking crisis to ease stress in the financial system, will not be extended beyond its March 11 deadline, top officials had signaled earlier this month. But effective immediately, the adjusted interest rate for borrowing will "be no lower" than that of reserve balances in effect on the day the loan is made, the Fed said on Wednesday night. That rate on reserve balances, which typically moves in tandem with the Fed's benchmark federal funds rate target, is currently 5.4% — compared with the lending program's 4.88%, which is tied to market interest rates. Those had fallen in recent weeks on expectations of Fed rate cuts. "This rate adjustment ensures that the BTFP continues to support the goals of the program in the current interest rate environment," the central bank said in a statement, adding that no other program terms have changed. The BTFP allows banks and credit unions to borrow funds for up to one year, pledging US Treasuries and agency debt as collateral valued at par. Before Wednesday's change, the rate for these advances was the one-year overnight index swap rate plus 10 basis points. Institutions have found it cheaper to borrow cash through the newer facility rather than turning to the discount window, which charges eligible institutions 5.5%. In fact, banks tapped the window for just $2.3 billion in the week through Jan. 17, well off the all-time high of $153 billion in March.

Fundamental Outlook: Gold and silver prices are trading flat today on the international bourses. We expect gold and silver prices to trade range-bound to lower for the day, as a stronger-than-expected report on US business activity cast doubt of prospects for an interest-rate cut by the Federal Reserve in March.

Key Market Levels for the Day

Time	Month	S3	S2	S1	R1	R2	R3
Gold – COMEX	Feb	1978	2000	2020	2035	2050	2070
Silver – COMEX	Mar	22.20	22.45	22.70	22.85	23.02	23.25
Gold – MCX	Feb	61550	61700	61900	62050	62250	62500
Silver – MCX	Mar	70200	70800	71450	72250	72800	73300

Nirmal Bang Securities - Daily Currency Market Update

Dollar Index

LTP/Close	Change	% Change
103.24	-0.38	-0.37

Bond Yield

10 YR Bonds	LTP	Change
United States	4.1762	0.0480
Europe	2.3400	-0.0100
Japan	0.7170	0.0460
India	7.1840	0.0080

Emerging Market Currency

Currency	LTP	Change
Brazil Real	4.9328	-0.0175
South Korea Won	1337.2	3.9500
Russia Rubble	88.8149	0.0896
Chinese Yuan	7.158	-0.0138
Vietnam Dong	24582	20
Mexican Peso	17.2252	-0.0821

NSE Currency Market Watch

Currency	LTP	Change
NDF	83.24	-0.01
USDINR	83.135	-0.0325
JPYINR	56.4475	0.1275
GBPINR	105.925	0.2625
EURINR	90.6325	0.2025
USDJPY	147.26	-0.35
GBPUSD	1.2726	0.0033
EURUSD	1.0887	0.002

Market Summary and News

❖ Global funds are snapping up India's sovereign bonds ahead of the country's addition to global debt indexes, and traders expect them to be a key pillar of demand for the near-record government borrowing in the coming fiscal year. New Delhi will likely announce a gross borrowing of 15.2 trillion rupees ($183 billion) for the year starting April 1, marginally lower than the record 15.43 trillion rupees set for the current year, according to a median estimate in a Bloomberg poll of 21 economists. Foreigners have plowed more than 500 billion rupees into index-eligible debt since JPMorgan Chase & Co's September's inclusion announcement. The nation's bonds may lure $100 billion of inflows in the coming years, according to HSBC Asset Management, as one of the world's fastest rates of economic growth lures investors. JPMorgan will add Indian government bonds to its benchmark emerging-market index from June. Bloomberg Index Services Ltd. has also sought investor feedback to add the debt to its EM bond index, effective September. Bloomberg LP is the parent company of Bloomberg Index Services, which administers indexes that compete with those from other providers. A favorable demand-supply backdrop for government debt will come as a breather given the Reserve Bank of India's stance to keep interest rates high. Most economists expect the monetary authority to only begin lowering rates later in the year once it brings inflation down to its 4% target. Prime Minister Narendra Modi's administration will present an interim budget on Feb. 1 ahead of a general election due by May. Economists expect the government to stay fiscally conservative, with Modi widely expected to win a third term. The fiscal deficit is seen narrowing to 5.4% from an estimated 5.9% in the current year, the Bloomberg survey showed.

❖ The US dollar pared its sharpest intraday drop since mid-December after a hotter-than-expected reading of US business activity but remained sold amid a broader risk-on rally. The yen was among the biggest G-10 gainers against the greenback, while the loonie underperformed after the Bank of Canada kept interest rates on hold. Bloomberg Dollar Spot Index slumped as much as 0.7% in risk-on trading after the People's Bank of China said it plans to cut the reserve requirement ratio for banks within two weeks. Pared losses after S&P Global US PMI readings beat estimates; Manufacturing was 50.3; Services 52.9. Treasuries reversed earlier rally, with yields extending gains after an auction of five-year notes tailed on weak demand. USD/JPY falls as much as 1.1% to 146.66 intraday low, biggest drop since Dec. 14, before paring slide. "The JPY moves are particularly interesting in view of the reports that some forecasters now see March rather than April as a likely date for the first BoJ rate hike," said Jane Foley, head of FX strategy at Rabobank. "The data dependency of the BoJ means that this will remain a 'will-they/won't-they' debate into the spring (and possibility beyond)." Loonie only G-10 currency down against dollar Wednesday; USD/CAD steadily gains 0.4% and past 200-DMA to 1.3521. Bank of Canada held policy rate steady at 5% and signaled it won't need to hike again if economy matches forecasts. "Risks are more likely skewed toward the BoC remaining too tight for too long at this point, given the deteriorating growth outlook and ongoing progression of mortgage rates resetting higher," said Geoff Phipps, portfolio manager and trading strategist at Picton Mahoney Asset Management. GBP/USD pared a rally of as much as 0.7% to 1.2775 session high, strongest intraday since Jan. 12, as UK PMI data beat estimates. Britain's private sector firms reported the sharpest jump in costs in five months and disruption of goods moving through the Red Sea as conflict in the region threatens to reignite inflation. EUR/USD shrugged off mixed PMI data out of the euro area's largest economies yet rose in sympathy to cable and amid broad dollar weakness, up as much as 0.7% to 1.0932 intraday high. Private-sector activity in the euro area contracted for an eighth month in January; manufacturing jumped to a 10-month high yet services defied analyst expectations and dropped. Overnight volatility suggests traders expect no fireworks out of Thursday's European Central Bank meeting.

❖ Emerging-market stocks posted their biggest advance this year following China's latest measures to boost the economy. MSCI's emerging-market stock gauge gained as much as 1.4% before closing the session up 1.3%. China will cut the reserve requirement ratio for banks within two weeks, while hinting at more support to come. Chinese authorities are considering a package of measures to stabilize the local stock market, Bloomberg News reported on Tuesday. An index for EM currencies advanced as much as 0.3% before paring gains late in the US session to finish up 0.1%; Colombia and Mexico led a rally in Latin American currencies. Mexico inflation data released Wednesday showed the headline print unexpectedly accelerating to 4.90% from the same period a year earlier, but core inflation slowed in line with forecasts. Results feed expectations that the central bank will continue to hold off cutting rates until March. The South African rand was among the top FX performers ahead of the nation's rate decision, while the Indonesian rupiah dropped most among its peers. The Turkish lira was little changed while stocks surged and CDS spreads tightened after President Recep Tayyip Erdogan's remarks implied support for the current orthodox economy policies. A Bloomberg dollar index trimmed losses while the US reported business activity expanding in January by the most in seven months.

Key Market Levels for the Day

	S3	S2	S1	R1	R2	R3
USDINR Spot	82.9525	83.0075	83.0755	83.1875	83.2650	83.3275

India Bullion and Jewellers Associations Ltd. (IBJA) Since 1919

Nirmal Bang Securities - Bullion Technical Market Update

Gold Market Update

Market View	
Open	61994
High	62259
Low	61850
Close	61985
Value Change	17
% Change	0.03
Spread Near-Next	168
Volume (Lots)	5224
Open Interest	5031
Change in OI (%)	-16.74%

Gold - Outlook for the Day

SELL GOLD FEB (MCX) AT 62150 SL 62350 TARGET 61900/61700

Silver Market Update

Market View	
Open	71003
High	72165
Low	70850
Close	71869
Value Change	912
% Change	1.29
Spread Near-Next	1116
Volume (Lots)	18554
Open Interest	26303
Change in OI (%)	-13.68%

Silver - Outlook for the Day

BUY SILVER MARCH (MCX) AT 71450 SL 70800 TARGET 72250/72800

India Bullion and Jewellers Associations Ltd. (IBJA) Since 1919

Nirmal Bang Securities - Currency Technical Market Update

USDINR Market Update

Market View	
Open	83.15
High	83.175
Low	83.115
Close	83.135
Value Change	-0.0325
% Change	-0.0391
Spread Near-Next	0.0978
Volume (Lots)	1831514
Open Interest	3226813
Change in OI (%)	0.95%

USDINR - Outlook for the Day

The USDINR future witnessed a flat opening at 83.15, which was followed by a session that showed consolidation with negative buyer level with candle closures near low. A red candle formed by the USDINR price facing resistance 20-days moving average placed at 83.19. On the daily chart, the momentum indicator RSI trailing between 45-53 level while MACD has made a positive crossover below the zero-line. We are anticipating that the price of USDINR futures will fluctuate today between 83.09 and 83.25.

Key Market Levels for the Day

	S3	S2	S1	R1	R2	R3
USDINR January	82.9525	83.0175	83.0875	83.2025	83.2525	83.3075

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