

## Daily Bullion Physical Market Report

Date: 25<sup>th</sup> July 2024

### Daily India Spot Market Rates

Description	Purity	AM	PM
Gold	999	69194	69151
Gold	995	68917	68874
Gold	916	63382	63342
Gold	750	51896	51863
Gold	585	40479	40453
Silver	999	84897	84862

Rate as exclusive of GST as of 24<sup>th</sup> July 2024 Gold is Rs/10 Gm & Silver in Rs/Kg

### Gold and Silver 999 Watch

Date	GOLD*	SILVER*
24 <sup>th</sup> July 2024	69151	84862
23 <sup>rd</sup> July 2024	69602	84919
22 <sup>nd</sup> July 2024	73218	88196
19 <sup>th</sup> July 2024	73979	91555

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

### COMEX Futures Watch

Description	Contract	Close	Change	%Chg
Gold(\$/oz)	DEC 24	2464.00	8.80	0.36
Silver(\$/oz)	SEPT 24	29.32	-0.02	-0.05

### ETF Holdings as on Previous Close

ETFs	In Tonnes	Net Change
SPDR Gold	841.74	1.73
iShares Silver	14,300.60	127.79

### Gold and Silver Fix

Description	LTP
Gold London AM Fix(\$/oz)	2411.30
Gold London PM Fix(\$/oz)	2421.45
Silver London Fix(\$/oz)	29.29

### Bullion Futures DGCX

Description	Contract	LTP
Gold(\$/oz)	AUG 24	2402.3
Gold Quanto	AUG 24	68972
Silver(\$/oz)	SEPT 24	29.12

### Gold Ratio

Description	LTP
Gold Silver Ratio	84.05
Gold Crude Ratio	31.76

### 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	18535.72	-1016.52	-5.48 %

### Macro-Economic Indicators

Time	Country	Event	Forecast	Previous	Impact
25 <sup>th</sup> July 06:00 PM	United States	Advance GDP q/q	2.0%	1.4%	High
25 <sup>th</sup> July 06:00 PM	United States	Unemployment Claims	237K	243K	High
25 <sup>th</sup> July 06:00 PM	United States	Advance GDP Price Index q/q	2.6%	3.1%	Medium
25 <sup>th</sup> July 06:00 PM	United States	Core Durable Goods Orders m/m	0.2%	-0.1%	Medium
25 <sup>th</sup> July 06:00 PM	United States	Durable Goods Orders m/m	0.3%	0.1%	Medium
25 <sup>th</sup> July 08:30 PM	Europe	ECB President Lagarde Speaks	-	-	Medium

## Nirmal Bang Securities - Daily Bullion News and Summary

□ Gold erased earlier gains on Wednesday as bond yields advanced, with traders awaiting US data that may shed light on the Federal Reserve's interest-rate path. Treasury yields pushed higher after declining Wednesday morning amid speculations that the Fed will cut interest rates soon following a former Fed official's call for lower borrowing costs. Former New York Fed President William Dudley called for the US central bank to cut rates, preferably at next week's gathering. Waiting until September may increase the risk of a recession, Dudley wrote in a Bloomberg Opinion column. Swap traders still see a cut in September as a certainty, with a July cut extremely unlikely. Investors are now turning their attention to the personal consumption expenditures data due Thursday. It's the Fed's preferred underlying inflation measure and may shed light on the path for rates going forward. A separate US report on personal spending that is landing Friday is expected to show easing price pressures, which may embolden bets on rate cuts. Bullion is still up about 17% this year, supported by expectations that the Fed will soon pivot to lower borrowing costs. Also supporting the precious metal has been buying by central banks as well as haven demand amid ongoing geopolitical tensions and the tumultuous US presidential campaign.

□ Exchange-traded funds added 59,338 troy ounces of gold to their holdings in the last trading session, bringing this year's net sales to 3.48 million ounces, according to data compiled by Bloomberg. The purchases were equivalent to \$143 million at yesterday's spot price. Total gold held by ETFs fell 4.1 percent this year to 82.1 million ounces. Gold advanced 17 percent this year to \$2,409.64 an ounce and by 0.5 percent in the latest session. State Street's SPDR Gold Shares, the biggest precious-metals ETF, boosted its holdings by 55,480 ounces in the last session. The fund's total of 27.1 million ounces has a market value of \$65.2 billion. ETFs also added 15.9 million troy ounces of silver to their holdings in the last trading session, bringing this year's net purchases to 10.6 million ounces. This was the biggest one-day increase since March 11 and the sixth straight day of growth, the longest winning streak since Jan. 27, 2023.

□ Don't look now, but holdings in exchange-traded funds backed by gold are starting to inch higher. The last time they set a new low was in mid-May, suggesting an enormous run of outflows that started (with some interruptions) late in 2020 may finally be ending. It's entirely possible that this celebration is premature, as holdings turned higher a few times in the past four years before ultimately faltering again. There have been four prior periods where ETF holdings went at least 50 sessions without setting a new low. The longest was 196 trading days ending in September 2022, and the biggest bounce off the lows was 292 tons (following Russia's invasion of Ukraine). We're currently just shy of 50 tons above the low. This shouldn't be a surprise. Precious metal ETF holdings have a high propensity to trend. That's probably a result of the fact that ETF managers have some leniency in enacting when to enact their mandate to buy or liquidate metal. But overall, and without reading too much into the latest developments, this is unequivocally a bullish development for prices, which had become over-reliant on purchases from central banks to drive ever-higher record highs.

□ The US yield curve steepened sharply amid growing calls for the Federal Reserve to start cutting interest rates as soon as next week. Yields on policy-sensitive two-year Treasuries slid three basis points on Wednesday; while on 10-year bonds were up by about the same amount. That pushed the differential between those yields to about 14 basis points, the smallest margin since October 2023. That's an indication investors see the Fed potentially reducing rates faster and deeper than previously anticipated. Swaps traders still price in more than two quarter-point cuts this year, with the first move likely in September. But with the central bank scheduled to announce its next decision in a week, pressure is rising for lower borrowing costs. In a Bloomberg Opinion column, former New York Fed President William Dudley said policymakers should reduce rates at the July gathering. Such moves show a revival of the yield curve's steepening — a favored wager of investors who expected Donald Trump to win the presidential election in November. On Wednesday, the yield on 30-year Treasuries rose as much as 7 basis points to 4.55%, the highest level since July 5. That widened its differential against the five-year note's yield to as much as 38.7 basis points. That marked the steepest level since May 2023. Economic data on Wednesday showed manufacturing slipped back into contraction territory and sales of new US homes unexpectedly declined in the US. Hours later, a \$70 billion sale of five-year notes came at a yield of 4.121%, above the 4.110% level at which the when-issued security traded just as auction bidding completed. That was seen as a mediocre result when compared to record-setting demand for Tuesday's \$69 billion sale of two-year securities. The moves in long-dated yields led the Treasury to accept no offers from dealers in a debt buyback operation on Wednesday.

**Fundamental Outlook:** Gold and silver prices are trading lower today on the international bourses. We expect gold and silver prices to trade rangelbound to slightly lower for the day, as traders looked ahead to key data that may offer clues on when the Federal Reserve will pivot to lower interest rates.

### Key Market Levels for the Day

Time	Month	S3	S2	S1	R1	R2	R3
Gold – COMEX	August	2320	2340	2370	2385	2405	2425
Silver – COMEX	September	27.65	27.85	28.10	28.30	28.45	28.60
Gold – MCX	August	67850	68150	68500	68750	69000	69250
Silver – MCX	September	82500	83200	84000	84800	85500	86200



## Nirmal Bang Securities - Daily Currency Market Update

### Dollar Index

LTP/Close	Change	% Change
104.39	-0.06	-0.06

### Bond Yield

10 YR Bonds	LTP	Change
United States	4.2838	0.0332
Europe	2.4420	0.0060
Japan	1.0810	0.0160
India	6.9630	-0.0060

### Emerging Market Currency

Currency	LTP	Change
Brazil Real	5.6546	0.0690
South Korea Won	1379.95	-6.1500
Russia Rubble	86.1685	-1.6816
Chinese Yuan	7.2635	-0.0113
Vietnam Dong	25356	-10.0000
Mexican Peso	18.3662	0.2194

### NSE Currency Market Watch

Currency	LTP	Change
NDF	83.82	0.0000
USDINR	83.7275	0.0025
JPYINR	54.005	0.7600
GBPINR	108.065	0.0400
EURINR	90.6875	-0.2675
USDJPY	154.43	-1.5500
GBPUSD	1.2898	-0.0007
EURUSD	1.0858	-0.0025

### Market Summary and News

□ The interest rate at which India sells short-term Treasury bills dropped to the lowest in nearly two years after Tuesday's federal budget included plans to repay net 500b rupees of the securities. Cutoff yield for 364-day T-bills falls to 6.8365%, lowest since Oct. 4, 2022, vs. 6.84% estimated. The rupee fell briefly to another record low before closing little changed. 10-year yields slipped by one basis point to at 6.96%, while 5-year yields fell 2bps to 6.91%. Broadly similar borrowing estimates as the interim budget should continue to support the bond market's demand-supply dynamics, especially amidst ongoing non-resident bond flows. We expect this positive momentum of inflows to continue and find the finance minister's guidance of extended fiscal consolidation to potentially 4.5% next year as a welcome signpost for a potential rating upgrade down the road. Retains FY25 10-year IGB forecast of 6.6% and hold on to tactical 5-year NDOIS receivers; INR continues to benefit from a manageable current account deficit (of ~0.6% YTD) and strong portfolio flows. However, elevated INR REER makes the managed USD/INR susceptible to a potential test of 84 in the coming weeks. That'd still leave INR a superior currency vis-à-vis CNH or TWD, but valuations warrant near-term risk management. The 4.5% fiscal deficit target for next fiscal year is more credible, Neelkanth Mishra, chief economist at Axis Bank, says in an interview with Bloomberg TV. If they stick to what they plan to do by FY26, and there's no reason why they shouldn't, bond yields can fall 50-60 bps further. USD/INR briefly touched a record high of 83.7262 before closing steady at 83.7162.

□ Haven currencies rose against their risk-sensitive peers as the US S&P 500 looked to post its worst decline since December 2022 amid soft earnings and higher Treasury yields. The loonie fell to a three-month low after the Bank of Canada delivered an expected quarter-point rate cut and warned on growth. The Bloomberg Dollar Spot Index is little changed; the yen and Swiss franc rose against other G-10 peers. The yield on 10-year Treasuries reversed loss and rose three basis points to 4.28% after Treasury buyback slate, while the yield on policy-sensitive 2-year slid three basis points to 4.42% after a mixed PMI report and soft new home sales. USD/JPY drops as much as 1.6% to 153.11 in thin liquidity before paring losses to trade 153.99. The Bank of Japan is set to unveil a plan to roughly halve bond purchases in coming years when it meets next week, Reuters reports, citing people familiar with the matter. Hedge funds were among the sellers beyond 154, according to traders. One-week implied volatility jumps to 13% in pair as tenor now captures the July 31 decision; traders note interest in back-end volatility as riskiest shift. USD/CAD rose to 1.3815 three-month high amid weaker US shares after a BOC rate cut; the pair briefly trimmed gains after Bank of Canada Governor Macklem said the bank is not on a "predetermined path" while Deputy Governor Rogers spoke on continued balance sheet normalization. Eyes year-to-date high of 1.3846 on further loonie losses; EUR/USD is down 0.1% at 1.0840 even as European bond yields advance. Pair dropped to 1.0826, a near two-week low, after PMI data showed euro-area private-sector activity barely grew this month; Germany surprisingly contracted, with the composite PMI dropping below the vital threshold for the first time since March; France also failed to grow. EUR/CHF slides 0.9% to 0.95881, falling below its 200-DMA amid heavy interbank volume. GBP/USD is little changed at 1.2906 amid EUR/GBP losses. AUD/USD falls 0.2% to two-month low of 0.6578 as copper slips for an eighth day, longest losing streak since Feb. 2020; AUD/JPY is set to close below its Ichimoku cloud for first time since Feb.

□ Treasuries ended Tuesday mixed with the yield curve steeper as short-maturity tenors outperformed after strong demand for the monthly 2-year note auction, in which primary dealers were awarded a record low share as investor demand surged. Yields in the auction sector were more than 3bp lower on the day shortly after 3pm New York time, just off session lows; with 10-year yields lower by only about 1bp on the day, 2s10s curve inversion lessened to about -24bp, approaching the least-inverted levels of the year. Heavy long-dated corporate bond supply reinforced the steepening trend, as offerings from Occidental Petroleum and United Health totaled \$17b and included a combination of 20Y, 30Y and 40Y tranches. \$69b 2-year note auction was awarded at 4.434%, the richest auction result since January and more than 2bp lower than its 4.457% yield in when-issued trading at the 1pm bidding deadline, despite its record-matching size. 9% primary dealer award was lowest on record in data since 2003 as indirect award jumped to a record 76.6%, offsetting drop in direct award to 14.4%; 2.81 bid-to-cover ratio was highest in nearly a year; Earlier in the session, the market reacted minimally to signs of weak second-tier US economic data. Treasury auction cycle also includes 5- and 7-year notes over next two days, the last coupon auctions of the May-July financing quarter, with August-to-October plans scheduled to be unveiled July 31.

### Key Market Levels for the Day

	S3	S2	S1	R1	R2	R3
USDINR SPOT	83.6025	83.6375	83.6855	83.7375	83.7850	83.8275

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

**Gold Market Update**



Market View	
Open	68790
High	69299
Low	68652
Close	68952
Value Change	442
% Change	0.65
Spread Near-Next	500
Volume (Lots)	7620
Open Interest	9662
Change in OI (%)	-17.54%

**Gold - Outlook for the Day**

**SELL GOLD AUG (MCX) AT 68750 SL 69250 TARGET 68150/67850**

**Silver Market Update**



Market View	
Open	85200
High	85735
Low	84662
Close	84894
Value Change	-25
% Change	-0.03
Spread Near-Next	2280
Volume (Lots)	14364
Open Interest	27284
Change in OI (%)	1.06%

**Silver - Outlook for the Day**

**SELL SILVER JULY (MCX) AT 84000 SL 85200 TARGET 82500/82000**

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

**USDINR Market Update**



Market View	
Open	83.7000
High	83.7400
Low	83.6925
Close	83.7275
Value Change	0.0025
% Change	0.0030
Spread Near-Next	-0.4005
Volume (Lots)	118650
Open Interest	2481423
Change in OI (%)	-2.55%

**USDINR - Outlook for the Day**

The USDINR future witnessed a gap-down opening at 83.66, which was followed by a session that showed buying from lower level with candle closures near high. A long green candle formed by the USDINR; where price closed above short-term moving averages. On the daily chart, the momentum indicator RSI trailing between 55-60 levels shows positive indication while MACD has made a positive crossover above the zero-line. We are anticipating that the price of USDINR futures will fluctuate today between 83.72 and 83.80.

**Key Market Levels for the Day**

	S3	S2	S1	R1	R2	R3
USDINR JULY	83.6025	83.6575	83.7075	83.7625	83.8125	83.8675



## Nirmal Bang Securities – Commodity Research Team

Name	Designation	Email
<b>Kunal Shah</b>	Head of Research	<a href="mailto:kunal.shah@nirmalbang.com">kunal.shah@nirmalbang.com</a>
<b>Devidas Rajadhikary</b>	AVP Commodity Research	<a href="mailto:devidas.rajadhikary@nirmalbang.com">devidas.rajadhikary@nirmalbang.com</a>
<b>Harshal Mehta</b>	AVP Commodity Research	<a href="mailto:harshal.mehta@nirmalbang.com">harshal.mehta@nirmalbang.com</a>
<b>Ravi D'souza</b>	Sr. Research Analyst	<a href="mailto:ravi.dsouza@nirmalbang.com">ravi.dsouza@nirmalbang.com</a>
<b>Jayati Mukherjee</b>	Sr. Research Analyst	<a href="mailto:Jayati.mukherjee@nirmalbang.com">Jayati.mukherjee@nirmalbang.com</a>
<b>Smit Bhayani</b>	Research Analyst	<a href="mailto:smit.bhayani@nirmalbang.com">smit.bhayani@nirmalbang.com</a>
<b>Utkarsh Dubey</b>	Research Associate	<a href="mailto:Utkarsh.dubey@nirmalbang.com">Utkarsh.dubey@nirmalbang.com</a>

This Document has been prepared by Nirmal Bang Securities Pvt. Ltd. The information, analysis and estimates contained herein are based on Nirmal Bang Securities Research assessment and have been obtained from sources believed to be reliable. This document is meant for the use of the intended recipient only. This document, at best, represents Nirmal Bang Securities Research opinion and is meant for general information only. Nirmal Bang Securities Research, its directors, officers or employees shall not in any way be responsible for the contents stated herein. Nirmal Bang Securities Research expressly disclaims any and all liabilities that may arise from information, errors or omissions in this connection. This document is not to be considered as an offer to sell or a solicitation to buy any securities. Nirmal Bang Securities Research, its affiliates and their employees may from time to time hold positions in securities referred to herein. Nirmal Bang Securities Research or its affiliates may from time to time solicit from or perform investment banking or other services for any company mentioned in this document.