



**Daily Bullion Physical Market Report**

**Date: 28<sup>th</sup> September 2022**

**Daily India Spot Market Rates**

Description	Purity	AM	PM
Gold	999	49351	49529
Gold	995	49153	49331
Gold	916	45206	45369
Gold	750	37013	37147
Gold	585	28870	28975
Silver	999	55066	55391

\*Rate as exclusive of GST as of 27<sup>th</sup> September 2022 Gold is Rs/10 Gm & Silver in Rs/Kg

**Gold and Silver 999 Watch**

Date	GOLD*	SILVER*
27th September 2022	49529	55391
26th September 2022	49590	55374
23rd September 2022	49432	56100
22nd September 2022	49894	56343

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

**COMEX Futures Watch**

Description	Contract	Close	Change	%Chg
Gold(\$/oz)	DEC 22	1636.20	2.80	0.17
Silver(\$/oz)	DEC 22	18.34	-0.14	-0.77

**ETF Holdings as on Previous Close**

ETFs	Long	Short
SPDR Gold	940.86	-2.61
iShares Silver	14,966.81	0.00

**Gold and Silver Fix**

Description	LTP
Gold London AM Fix(\$/oz)	1632.60
Gold London PM Fix(\$/oz)	1634.30
Silver London Fix(\$/oz)	18.68

**Bullion Futures DGCX**

Description	Contract	LTP
Gold(\$/oz)	OCT. 22	1626.7
Gold Quanto	OCT. 22	49339
Silver(\$/oz)	DEC. 22	18.36

**Gold Ratio**

Description	LTP
Gold Silver Ratio	89.23
Gold Crude Ratio	20.84

**Weekly CFTC Positions**

	Long	Short	Net
Gold(\$/oz)	84887	117853	-32966
Silver	37007	44102	-7095

**MCX Indices**

Index	Close	Net Change	% Chg
MCX iCOMDEX Bullion	13552.03	39.08	0.29 %

**Macro-Economic Indicators**

Time	Country	Event	Forecast	Previous	Impact
28 <sup>th</sup> September 06:00pm	United States	Goods Trade Balance	-88.9 B	-90.2 B	Low
28 <sup>th</sup> September 06:00pm	United States	Prelim Wholesale Inventories m/m	0.4 %	0.6 %	Low
28 <sup>th</sup> September 07:30pm	United States	Pending Home Sales m/m	-0.9 %	-1.0 %	Medium
28 <sup>th</sup> September 07:40pm	United States	FOMC Member Bullard Speaks	-	-	Medium
28 <sup>th</sup> September 07:45pm	United States	Fed Chair Powell Speaks	-	-	Medium
28 <sup>th</sup> September 08:30pm	United States	FOMC Member Bowman Speaks	-	-	Low



## Nirmal Bang Securities - Daily Bullion News and Summary

❖ Gold rebounded from its lowest level in more than two years, as the dollar's rally paused after hitting a fresh record. The slowdown in the greenback's relentless gain provided relief for bullion, which rose as much as 1.2%. The precious metal gave up some gains after Federal Reserve officials stressed they needed to restore price stability, with St. Louis Fed chief James Bullard warning their credibility was on the line. While gold is seen as a traditional haven in times of economic distress, concerns over a global recession stoked by central banks' monetary tightening have instead triggered big gains in the greenback. Traders are also digesting a slew of economic data for signs that price increases are cooling while they wait for additional comments from Federal Reserve officials this week. US durable goods orders fell 0.2% in August, but the value of core capital goods bookings, which is a proxy for investment in equipment that excludes aircraft and military hardware, rose last month by the most since January, even amid rising interest rates.

❖ Turkey increases gold reserves to 23.17m oz last month from 22.99m oz in July, according to IMF data. Kazakhstan's holdings climbed to 12.05m oz from 11.98m oz in July. Uzbekistan's reserves rose to 12.26m oz from 11.98m oz in July. Data through July: India's holdings increased to 25.12m oz in July from 24.69m oz in June. Philippines raised holdings to 4.97m oz from 4.95m oz in June. Qatar's reserves climbed to 2.32m oz from 1.85m oz in June. UAE's reserves rose to 1.8m oz from 1.78m oz in June.

❖ More pain may be in store for the gold market, based on technical signals. The precious metal, which has taken a hit as rising interest rates and a stronger dollar diminish its appeal, is forming a bearish reversal pattern, so the selloff could accelerate, Bloomberg Intelligence strategist Anthony Feld said in a note Tuesday. Gold has posted five straight monthly losses, breaking below a two-year trading range in recent weeks that puts it on course for a possible 12% drop to the November 2019 low if the bearish formation remains intact, he said.

❖ Federal Reserve officials said they needed to keep raising interest rates to restore price stability, with St. Louis Fed chief James Bullard warning that their credibility was on the line. "This is a serious problem and we need to be sure we respond to it appropriately," Bullard told an economic conference in London Tuesday. "We have increased the policy rate substantially this year and more increases are indicated," in the Fed's latest forecasts. His commitment to reducing inflation to the Fed's 2% target was broadly echoed by Chicago Fed chief Charles Evans and Neel Kashkari of Minneapolis, who said the central bank should deliver on the rate increases they have forecast and then hold them there to bring price pressures to heel. Their remarks maintain Chair Jerome Powell's message last week that they will not flinch from confronting inflation despite pain for the US economy -- a hawkish stance that's roiled financial markets and contributed to a steep rise in bond yields.

❖ The Federal Reserve's delicate balance between curbing demand enough to slow inflation without causing a recession is a "struggle," said San Francisco Fed President Mary Daly. To keep inflation low and stable, "we have to balance that off with our dual mandate with full employment," Daly said at the Symposium on Asian Banking and Finance. "Trying to navigate that to bring inflation down while we do so as gently as possible, not to tip unnecessarily the economy into a downturn that actually influences the full employment part of our mandate, is a struggle." Daly, speaking Tuesday evening San Francisco time at the virtual conference that was co-sponsored by the San Francisco Fed and the Monetary Authority of Singapore, said that she hopes the Fed's actions to bridle demand will meet the supply chain's recovery "in the middle," but that that may not be possible. "While there are hopeful signs, I'm always mindful that we might have to do a little more on demand because supply chains are just sluggish, or supply is sluggish to recover," Daly said.

❖ The European Central Bank will act with determination and in an orderly manner to tackle inflation that's become broader and increasingly driven by internal factors, Bank of France Governor Francois Villeroy de Galhau said. Addressing lawmakers Tuesday in the French National Assembly in Paris, Villeroy said central banks have a greater responsibility to tackle what he called "domestic" inflation. "That's the meaning of the action that we're taking at the ECB and the Bank of France," he said. "We're firmly committed, and I insist on saying this here, to bringing inflation toward 2% in the next two-to-three years, in France and in Europe." "That's why we're advancing in a determined but orderly way on the path to monetary normalization," Villeroy said. In introductory remarks at the Finance Committee hearing, he also said: "The recent rise in gas prices on international markets leads us to forecast a peak in inflation between now and early 2023" If there's a recession in France it would be "limited and temporary" Recent market volatility and rising rates in the UK come after the announcement of "massive fiscal deficits"

❖ **Fundamental Outlook:** Gold and silver prices are trading lower on international bourses. We expect precious metals prices on Indian bourses to trade range-bound to lower for the day. We recommend sell on rise in gold and silver in intra-day trading sessions as the dollar climbed to a fresh record. Traders have turned to the greenback as a safe-haven bet amid global recession fears. That's adding pressure on bullion, which usually has a negative correlation with the dollar.

### Key Market Levels for the Day

Time	Month	S3	S2	S1	R1	R2	R3
Gold – COMEX	December	1600	1620	1630	1660	1685	1700
Silver – COMEX	December	18.10	18.45	18.65	19.00	19.25	19.55
Gold – MCX	October	48600	48800	49100	49200	49500	49750
Silver – MCX	December	53800	54400	55000	55550	56000	56600





## Nirmal Bang Securities - Daily Currency Market Update

### Dollar Index

LTP/Close	Change	% Change
114.11	0.00	0.00

### Bond Yield

10 YR Bonds	LTP	Change
United States	3.9451	0.0389
Europe	2.2260	0.1150
Japan	0.2530	0.0030
India	7.2920	-0.0660

### Emerging Market Currency

Currency	LTP	Change
Brazil Real	5.3805	-0.01
South Korea Won	1422.45	16.7500
Russia Rubble	58.7818	0.2111
Chinese Yuan	7.1761	0.0468
Vietnam Dong	23736	2
Mexican Peso	20.3836	0.0845

### NSE Currency Market Watch

Currency	LTP	Change
NDF	81.95	0.25
USDINR	81.57	-0.1275
JPYINR	56.52	-0.145
GBPINR	88.1375	0.43
EURINR	78.5925	-0.135
USDJPY	144.33	0.11
GBPUSD	1.0809	0.0074
EURUSD	0.9638	0.0002

### Market Summary and News

❖ Japan looks to have spent more supporting the yen on Thursday alone than it did during the entire period of boosting its currency during the Asian financial crisis. The authorities are estimated to have bought almost 3.6 trillion yen (\$24.9 billion) of the local currency on Thursday based on central-bank data. That compares with the 2.6 trillion yen they spent purchasing the currency the previous time they sought to prop it up, from April-to-June 1998, based on Ministry of Finance figures. If the amount of the purchases made on Thursday is accurate, that would also be a record for yen buying on a single day, exceeding the 2.6 trillion yen the authorities spent on April 10, 1998, data compiled by Bloomberg show. Bank of Japan Governor Haruhiko Kuroda said he supports last week's government intervention in the currency markets, and said it creates an appropriate policy mix together with the central bank's ongoing monetary easing. "The intervention was conducted by the finance minister's decision as a necessary means to deal with excessive moves and I think it was appropriate. The intervention and monetary easing are complementary," Kuroda said in his first public remarks since surprise actions were taken Thursday to prop up the yen. Kuroda's comments in the afternoon had limited immediate impact on the yen. The currency traded around 144 against the dollar in the evening in Tokyo, still stronger than the level it was before last week's intervention.

❖ Christine Lagarde said the European Central Bank will consider shrinking its balance sheet only once it has completed the "normalization" of interest rates. Raising borrowing costs is the most appropriate and effective tool for now to combat record-high euro-area inflation, the ECB. That suggests that only once rates have reached the so-called neutral level, where they are neither stimulative nor restrictive will the Governing Council address what to do with the trillions of euros of debt the Euro system holds. Reducing the almost 5 trillion euros (\$4.8 trillion) of bonds bought by the ECB during recent crises is expected to be discussed at officials' non-policy meeting in Cyprus on Oct. 5 and will likely also be debated at subsequent gatherings. The ECB raised its deposit rate to 0.75% earlier this month and traders expect another such step in October with it below or close to 2%.

❖ The pound resumed its slide against the dollar after Bank of England Governor Andrew Bailey tempered speculation of an emergency rate hike to shore up the battered currency. Bailey said policy makers would assess the fall in sterling at their next scheduled meeting in November, after a volatile trading session rife with rumors that central bank action was imminent. The pound slipped back toward a record low touched earlier Monday after the announcement, sliding 1.7% to \$1.0678.

❖ Collins nodded to those risks on Monday, pointing out that disadvantaged workers could suffer even more. Federal Reserve Bank of Boston President Susan Collins, in her first public speech since taking office, said additional tightening is needed to rein in stubbornly high inflation and cautioned the process will require some job losses. Powell and other officials acknowledge that their efforts to cool prices could cause pain for businesses and households, including job losses. The labor market has so far remained strong, with unemployment at 3.7%, but policy makers forecast that'll rise to around 4.4% next year. Expect the US dollar to appreciate further in the coming week and surpass new two-decade highs of 115 levels amid expectations of a further aggressive interest rate hike from the US Fed.

### Key Market Levels for the Day

	S3	S2	S1	R1	R2	R3
USDINR Spot	81.1000	81.3500	81.5000	81.7500	81.9000	82.1000



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

**Gold Market Update**



Market View	
Open	49190
High	49499
Low	49082
Close	49319
Value Change	169
% Change	0.34
Spread Near-Next	2982
Volume (Lots)	7051
Open Interest	2429
Change in OI (%)	-95.14%

**Gold - Outlook for the Day**

Gold prices are likely to take support around \$ 1600-1610, where we can initiate long positions for the target of \$ 1660-70.

**SELL GOLD OCT (MCX) AT 49200 SL 49500 TARGET 48800/48600**

**Silver Market Update**



Market View	
Open	55577
High	56177
Low	55209
Close	55379
Value Change	27
% Change	0.05
Spread Near-Next	4621
Volume (Lots)	20989
Open Interest	20297
Change in OI (%)	3.40%

**Silver - Outlook for the Day**

Silver is comparatively stronger than gold but after a strong sell off we believe that the silver prices are trading supportive around \$ 18.00-10, where we can go long for the target of \$ 18.85-18.95.

**SELL SILVER DEC (MCX) AT 55300 SL 55900 TARGET 54500/54000**





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

**USDINR Market Update**



Market View	
Open	81.6475
High	81.6675
Low	81.2975
Close	81.57
Value Change	-0.1275
% Change	-0.16
Spread Near-Next	0.275
Volume (Lots)	4022603
Open Interest	2393915
Change in OI (%)	-14.20%

**USDINR - Outlook for the Day**

USDINR witnessed a weak open at 81.82 and remained volatile within the range of 81.94 - 81.56 with closure in flat green. USDINR has formed a green candle with sideways closure indicating consolidation to bullish momentum ahead. The pair has given closure above the short, medium and long term SMA on the daily chart. USDINR, if trades below 81.70, pair will head towards 81.50 – 81.35. Whereas, momentum above 81.85; will lead the pair to test the highs of 82 – 82.25. The daily strength indicator RSI and momentum oscillator Stochastic both are in positive zone with crossing their respective signal line thus indicating support in the pair.

**Key Market Levels for the Day**

	S3	S2	S1	R1	R2	R3
USDINR September	81.2000	81.3500	81.5500	81.9000	82.1000	82.2500



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### 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>Smit Bhayani</b>	Research Associate	<a href="mailto:smit.bhayani@nirmalbang.com">smit.bhayani@nirmalbang.com</a>
<b>Riya Singh</b>	Currency Research Analyst	<a href="mailto:riya.singh@nirmalbang.com">riya.singh@nirmalbang.com</a>

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