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India Bullion and Jewellers Associations Ltd. Since 1919

India Bullion And Jewellers Association Ltd.
Celebrating 103 Years
1919 - 2022

Daily Bullion Physical Market Report

Date: 29th September 2022

Daily India Spot Market Rates

Description	Purity	AM	PM
Gold	999	49368	49505
Gold	995	49170	49307
Gold	916	45221	45347
Gold	750	37036	37129
Gold	585	28880	28960
Silver	999	54193	54524

*Rate as exclusive of GST as of 28th September 2022 Gold is Rs/10 Gm & Silver in Rs/Kg

Gold and Silver 999 Watch

Date	GOLD*	SILVER*
28th September 2022	49505	54524
27th September 2022	49529	55391
26th September 2022	49590	55374
23rd September 2022	49432	56100

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

COMEX Futures Watch

Description	Contract	Close	Change	%Chg
Gold($/oz)	DEC 22	1670.00	33.80	2.07
Silver($/oz)	DEC 22	18.88	0.54	2.96

ETF Holdings as on Previous Close

ETFs	Long	Short
SPDR Gold	940.86	0.00
iShares Silver	14,946.75	-20.06

Gold and Silver Fix

Description	LTP
Gold London AM Fix($/oz)	1618.20
Gold London PM Fix($/oz)	1652.15
Silver London Fix($/oz)	18.26

Bullion Futures DGCX

Description	Contract	LTP
Gold($/oz)	OCT. 22	1661.3
Gold Quanto	OCT. 22	49339
Silver($/oz)	DEC. 22	18.91

Gold Ratio

Description	LTP
Gold Silver Ratio	88.45
Gold Crude Ratio	20.33

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	13591.11	222.17	1.63 %

Macro-Economic Indicators

Time	Country	Event	Forecast	Previous	Impact
29th September 06:00pm	United States	Final GDP q/q	-0.6 %	-0.6 %	Medium
29th September 06:00pm	United States	Unemployment Claims	215 K	213 K	Medium
29th September 06:00pm	United States	Final GDP Price Index q/q	8.9 %	8.9 %	Low
29th September 07:30pm	United States	FOMC Member Bullard Speaks	-	-	Medium
29th September 07:30pm	United States	FOMC Member Mester Speaks	-	-	Medium

Nirmal Bang Securities - Daily Bullion News and Summary

❖ Gold and copper advanced after the Bank of England restarted its pandemic-era bond buying program, citing a risk to the UK's financial stability. The intervention by the BOE saw the dollar and Treasury yields erase early gains and extend declines, providing a lift to metals which are priced in the greenback. Bullion and copper had earlier fallen as much as 0.9% and 1.8%, respectively, due to the stronger dollar and higher rates. Turmoil in UK bond markets after the government announced surprise tax cuts is one of many risks traders are currently tracking. Still, it hasn't been enough to support gold, which is often bought as a haven. The US Federal Reserve's aggressive rate hikes have spurred gains in the dollar, which is typically negatively correlated with bullion prices. Higher interest rates also pressure gold, which is non-yielding. They've triggered rapid outflows from exchange-traded funds backed by bullion, taking holdings to the lowest since May 2020.

❖ Gold's move higher initially felt counter-intuitive, particularly as it seemed to represent an overreaction to moves in the dollar. Yet there's more at play for bullion. First, it's seen as the ultimate haven if faiths in central banks are eroded, and second, it represents a bet on potential collective action to facilitate a weaker US currency. If nothing else, Wednesday's actions by the Bank of England fostered the idea that policy makers are at best making it up as they go along and at worst, losing control. Those are the times when investors turn to gold. And if you don't buy that narrative, there's the alternative speculation that there will be concerted effort to weaken the US dollar. That may or may not prove warranted in days to come, but it underlines the fact that the US currency is becoming a worldwide problem. Gold certainly makes sense as a hedge against the greenback.

❖ The market share of Indian national and regional chain jewelry retailers' will widen to more than 40% in the next five years from 35% in 2021, driven by changes in consumption patterns and government measures to boost transparency in the industry, the World Gold Council said in a report in collaboration with Metals Focus Ltd. India's gold industry is fragmented, with about 300,000 to 350,000 jewelers with meaningful businesses in precious metals. Buyers have been slowly shifting away from the thousands of family-run jewelry shops that control the bulk of the world's second-biggest market. The top five retailers alone will likely open 800-1,000 stores during the period and many of them are expanding in tier 2 and tier 3 cities. India's biggest retailers include Tata Group's Tanishq, Malabar Gold and Diamonds, Kalyan Jewellers, Senco Gold. National and regional chain stores will benefit due to their access to credit and the large inventories they are able to carry. Smaller and independent shops will need to meet accepted standards of transparency or their access to financing will be limited as banks and financial institutions remain wary of lending to the sector. The market share of online sales is expected to increase to as much as 10% in the next five years from about 3%-5%.

❖ Gold is falling again as the US currency runs rampant, although its losses on the day are less pronounced than seen in other commodities such as copper, as well as equity gauges. That relative outperformance may not last as the pace of sales from bullion-backed ETFs could easily pick up. While gold-backed ETFs have been shrinking steadily as investors head for the exits -- they are on course for a 16th week of declines -- overall global holdings remain north of 3,000 tons. That means there's plenty more scope for additional sales. As each drop in prices gives incentives for a fresh round of selling, that risks a speedier exodus, setting the scene for yet weaker prices. QTD outflows from ETFs have totaled a little more than 200 tons, slightly less in absolute terms than was sold in 1Q 2021. There's potential here for a faster pace of sales in the weeks to come, if the narrative around the dollar and rising real rates doesn't change.

❖ The Federal Reserve must keep pushing interest rates higher to contain inflation despite rising volatility in global financial markets, Chicago Fed President Charles Evans said. "We're at a target range of 3 to 3.25%," Evans told reporters Wednesday after a talk at the London School of Economics, referring to the US central bank's benchmark lending rate. "That is beginning to move into restrictive territory, but with inflation as high as it is, and getting inflation under control being job one, it's not nearly restrictive enough," Evans said. The Fed has been tightening monetary policy quickly this year in a bid to bring inflation down from the highest levels in four decades. Higher US interest rates have helped put upward pressure on the dollar, contributing to turmoil in global markets. On Sept. 21, the rate-setting Federal Open Market Committee hiked its benchmark federal funds rate by three-quarters of a percentage point for the third meeting in a row, taking it above 3% for the first time since before the 2008 financial crisis. The Chicago Fed chief, who does note vote on FOMC decisions this year, said global market volatility "can add to additional financial restrictiveness," but suggested it's not enough to knock the Fed off its current course. "The risks continue to be high about more persistent inflation, and we just really need to get inflation in check," Evans said.

❖ Another shock central bank move, another lockstep market reaction across Wall Street and beyond - This time it was the Bank of England's dramatic intervention in government bonds that took global traders by storm, underscoring how every asset remains at the mercy of monetary officials in crisis-fighting mode. After British policy makers pledged a fresh round of debt buying to forestall a systemic crash, the S&P 500 duly surged 2% Wednesday to halt a six-day slide. Burning bears who had sought cover from the Federal Reserve-induced rout over the past week, a Goldman Sachs Group Inc. basket of the most-shorted stocks jumped 4.6%. Short traders in Treasuries were also caught out, as the 10-year yield plunged more than 20 basis points. Oil, gold and copper all spiked more than 2%, torching anyone betting that dollar strength would keep a lid on commodity gains. Together, the combined advance of the biggest ETFs tracking US stocks, Treasuries, investment-grade bonds, high-yield credit and raw materials reached 12% Wednesday, the strongest concerted rally since April 2020. The makings of the rebound were all there -- extreme pessimism, oversold markets, and rock-bottom fund positioning. Yet the larger point remains uncomfortable to stock pickers and the like: Everyone's a macro trader now. "The market got the vote of confidence it needed from the BOE," said Andrew Lekas, head of FICC trading at Old Mission Capital. "No quantitative models could have seen this coming, so a repositioning after that sort of event naturally took the S&P higher."

❖ **Fundamental Outlook:** Gold and silver prices are trading slightly lower on international bourses. We expect precious metals prices on Indian bourses to trade range-bound to slightly higher for the day. We recommend buy on dips in gold and silver in intra-day trading sessions as gold edged lower on renewed strength in the US dollar, after a rally triggered by the Bank of England's decision to unveil a bond-buying program to boost UK bonds.

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	49500	49800	50050	50225	50500	50700
Silver – MCX	December	54800	55400	56000	56600	57200	57850

Nirmal Bang Securities - Daily Currency Market Update

Dollar Index

LTP/Close	Change	% Change
112.60	-1.50	-1.32

Bond Yield

10 YR Bonds	LTP	Change
United States	3.7312	0.0220
Europe	2.1160	-0.1100
Japan	0.2470	0.0020
India	7.3340	0.0410

Emerging Market Currency

Currency	LTP	Change
Brazil Real	5.3746	-0.0059
South Korea Won	1440.15	-2.6000
Russia Rubble	58.45	-0.359
Chinese Yuan	7.2005	-0.0055
Vietnam Dong	23740	15
Mexican Peso	20.1254	0.0987

NSE Currency Market Watch

Currency	LTP	Change
NDF	81.74	0.2
USDINR	82.2275	0.3825
JPYINR	57.02	0.135
GBPINR	87.1725	-1.335
EURINR	78.8325	-0.2625
USDJPY	144.28	0.37
GBPUSD	1.0612	-0.0206
EURUSD	0.9583	-0.0075

Market Summary and News

❖ UK 30-year bonds headed for their biggest-ever rally after the Bank of England stepped in to stem a disorderly market rout fueled by forced selling from pension funds. The yield on 30-year gilts plummeted as much as 107 basis points to 3.92% after the BOE said it would carry out temporary purchases of long-dated debt and delay planned bond sales under its quantitative tightening program. That's the largest drop in data going back to 1996 on a closing basis. The moves injected some desperately-needed confidence into the nation's bond market, which showed signs of collapsing in the wake of the government's spending plans. Frantic selling since Friday driven largely by pension funds rushing to meet collateral calls had pushed the yield up more than a percentage point to as high as 5.14%, a level last seen in 1998. The BOE acted after being warned by investment banks and fund managers in recent days that collateral calls as soon as Wednesday afternoon could trigger a further crash in gilts. The pound initially surged after the announcement before falling back to trade 0.5% weaker at $1.0684 as of 3:00 p.m. in London, edging back toward a record low.

❖ The Indian rupee falls to a new record, closing in on 82 to a dollar, on the back of a stronger greenback spurred by surging Treasury yields. Bond yields rise. Sentiment is being weighed down by the climb in UST yields on the back of further hawkish FOMC rhetoric. Rising geopolitical tensions in Europe are also adding to the poor sentiment. Options contracts point to a 77% probability of a further drop to 83 to a dollar for the rupee before the end of December. That's quite a change from the start of 2022, when prospects for such an exchange rate were considered an outlier at just 20%. The RBI is likely to retain its hawkish stance on Friday, given the currency weakness and as the market will likely continue to pressure the front end of the curve. Furthermore, we cannot rule out the market becoming more dislocated, potentially entering a period of panic.

❖ The European Central Bank should raise interest rates by another 75 basis points when it next sets policy in October, with steps likely to get smaller after that, according to Governing Council member Martins Kazaks. "In the current situation, we can still make big steps, and the next step still has to be big because we are still far away from rates that are consistent with 2% inflation," Kazaks said Wednesday in an interview in Vilnius. "I would side with 75 basis points -- let's take a bigger step and move the rates up faster." The Latvian official said that doesn't mean "75 basis points is something standard from now onwards," and that it's likely that once rates are more consistent with the inflation goal, future steps "will need to become somewhat more cautious." His calls for forceful action are likely to be echoed by other officials from the Baltic region as they gather for a conference in the Lithuanian capital of Vilnius on Thursday. Inflation in the region currently tops 20%. Soaring prices driven by Russia's war in Ukraine and the resulting energy crisis has prompted ECB officials to start hiking rates for the first time in more than a decade, this month by a historic three quarters of a point. They're now weighing how to proceed as the ramp-up in prices is accompanied by ever-increasing predictions of a recession.

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

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Nirmal Bang Securities - Bullion Technical Market Update

Gold Market Update

Market View	
Open	49160
High	49890
Low	48980
Close	49750
Value Change	431
% Change	0.87
Spread Near-Next	2551
Volume (Lots)	4715
Open Interest	719
Change in OI (%)	-237.83%

Gold - Outlook for the Day

Gold prices yesterday seen a sharp uptick after a fall in dollar index, it seems that the prices are likely to trade volatile for the coming sessions, we are recommending going long between $ 1620-130 for target of $ 1670-80.

BUY GOLD DEC (MCX) AT 50050 SL 49800 TARGET 50400/50600

Silver Market Update

Market View	
Open	55200
High	56599
Low	54355
Close	56528
Value Change	1149
% Change	2.07
Spread Near-Next	3472
Volume (Lots)	32623
Open Interest	18180
Change in OI (%)	-11.64%

Silver - Outlook for the Day

Silver too has seen sharp uptick, we expect the commodity is likely to trade positive for the coming session and its ranging between $ 18.35-19.00. Trade within the range but more on a long side when dip is there till $ 18.40-50.

BUY SILVER DEC (MCX) AT 56000 SL 55400 TARGET 57000/57500

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India Bullion And Jewellers Association Ltd. Celebrating 103 Years 1919 - 2022

Nirmal Bang Securities - Currency Technical Market Update

USDINR Market Update

Market View	
Open	82.03
High	82.2875
Low	82.03
Close	82.2275
Value Change	0.3825
% Change	0.47
Spread Near-Next	0
Volume (Lots)	5825290
Open Interest	4393325
Change in OI (%)	26.16%

USDINR - Outlook for the Day

USDINR witnessed a positive open followed by a session in green marking the high at 82, 28 with closure near the same. USDINR has formed a green candle with closure in higher highs and lows 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 82, pair will head towards 81.50 – 81.35. Whereas, momentum above 82.35; will lead the pair to test the highs of 82.53 – 82.76. 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	81.7000	81.8500	82.0500	82.3500	82.4800	82.6200

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