

Daily Bullion Physical Market Report

Date: 10th September 2024

Daily India Spot Market Rates

Description	Purity	AM	PM
Gold	999	71192	71378
Gold	995	70907	71092
Gold	916	65212	65382
Gold	750	53394	53534
Gold	585	41647	41756
Silver	999	80882	81480

Rate as exclusive of GST as of 09th September 2024 Gold is Rs/10 Gm & Silver in Rs/Kg

Gold and Silver 999 Watch

Date	GOLD*	SILVER*
09 th September 2024	71378	81480
06 th September 2024	71931	83338
05 th September 2024	71295	81337
04 th September 2024	71295	81337

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

COMEX Futures Watch

Description	Contract	Close	Change	%Chg
Gold(\$/oz)	DEC 24	2532.70	8.10	0.32
Silver(\$/oz)	DEC 24	28.65	0.47	1.66

ETF Holdings as on Previous Close

ETFs	In Tonnes	Net Change
SPDR Gold	862.74	0.00
iShares Silver	14,500.09	-1.42

Gold and Silver Fix

Description	LTP
Gold London AM Fix(\$/oz)	2496.65
Gold London PM Fix(\$/oz)	2499.70
Silver London Fix(\$/oz)	28.13

Bullion Futures DGCX

Description	Contract	LTP
Gold(\$/oz)	OCT24	2510.7
Gold Quanto	OCT 24	71648
Silver(\$/oz)	DEC 24	28.68

Gold Ratio

Description	LTP
Gold Silver Ratio	88.40
Gold Crude Ratio	36.86

Weekly CFTC Positions

	Long	Short	Net
Gold(\$/oz)	242861	16271	226590
Silver	41453	14952	26501

MCX Indices

Index	Close	Net Change	% Chg
MCX iCOMDEX Bullion	17695.22	75.32	0.43 %

Macro-Economic Indicators

Time	Country	Event	Forecast	Previous	Impact
10 th September 07:30 PM	United States	FOMC Member Barr Speaks	-	-	Low

Nirmal Bang Securities - Daily Bullion News and Summary

□ Gold wavered as traders await a key inflation report for clues on how deep the Federal Reserve may cut interest rates at its meeting next week. Bullion traded below \$2,500 an ounce after Friday's 0.8% decline, with investors looking toward data on US consumer product index due Wednesday. CPI is expected to have risen 2.6% in August from a year earlier — the smallest increase since 2021 — according to the median forecast of economists surveyed by Bloomberg. The CPI report is the key for investors since a media blackout will keep Fed policymakers from giving any guidance before their Sept. 17-18 meeting. A mixed jobs report last Friday has deepened the ongoing debate over the size of the US central bank's rate cut at its meeting next week. Fed officials have said that they're now more concerned about risks to the labor market than about inflation. Lower rates are often seen as bullish for gold, which doesn't bear interest. Gold has surged by more than 20% this year, boosted by robust purchasing by central banks as well as expectations of Fed rate cuts. The precious metal has also been supported by haven demand amid ongoing conflicts in the Middle East and Ukraine.

□ Exchange-traded funds cut 11,705 troy ounces of gold from their holdings in the last trading session, bringing this year's net sales to 2.57 million ounces, according to data compiled by Bloomberg. The sales were equivalent to \$29.2 million at the previous spot price. Total gold held by ETFs fell 3 percent this year to 83 million ounces. Gold advanced 21 percent this year to \$2,497.41 an ounce and fell by 0.8 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 27.7 million ounces has a market value of \$69.3 billion. ETFs also cut 3,505 troy ounces of silver from their holdings in the last trading session, bringing this year's net purchases to 17 million ounces.

□ The European Central Bank will probably cut interest rates on Thursday in a prelude to a US move the following week, as the global monetary cycle tilts toward more synchronized easing. Euro-zone officials have signaled that they'll deliver a second reduction in borrowing costs, following up on June's move, which will be scrutinized by investors looking for policymakers' intentions for any further steps later this year. At least one more cut is seen likely in 2024. Along with the Sept. 4 rate move from the Bank of Canada, the ECB meeting's timing - days before the Federal Reserve's own initial reduction expected on Sept. 18 - underscores how large advanced economies are now shifting more in tandem as officials pivot to supporting economic growth now that they judge inflation risks to have faded. In the euro zone, easing in a key measure of wage growth during the second quarter will have helped embolden policymakers. Similarly, a US consumer-price report due on Wednesday may offer Fed officials reassurance that inflation pressures are stabilizing, on the heels of data on Friday that showed US hiring fell short of forecasts. For investors, the question hanging over this month's meetings is the extent to which such rate reductions herald a deeper easing cycle that may not only remove constriction on major economies, but also begin to stimulate them. Prospects for growth will be a focus when ECB President Christine Lagarde addresses journalists on Thursday — not least in light of just-released data showing second-quarter expansion was weaker than initially reported. Governing Council officials are thought to be more comfortable changing rates at meetings like the upcoming one, when they have newly-produced quarterly forecasts at hand. That would make a further cut in December more probable than one at their next gathering on Oct. 17.

□ Open interest net of the futures roll dropped heavily across belly and intermediate contracts, consistent with position unwinds as price action whipsawed Friday following the jobs report release and comments on monetary policy from the Federal Reserve Governor Christopher Waller. In SOFR futures, open interest changes were mixed while fed funds futures preliminary open interest was little change in the October fed funds contract following record volumes on the day that exceeded 1 million. Treasury futures open interest dropped a combined \$8.2m/DV01 across 5-year note futures out to the long-bond contract, with most of the risk reduction seen in the 10-year note futures for around \$4.7m/DV01. The drop appears consistent with de-leveraging and unwinds on a choppy day for price action which saw a trading range of 1-03 ticks from TYZ4 contract highs to lows. In SOFR futures open interest changes were mixed with large amount of position unwind seen in the Sep24 contract, matching the position unwind theme seen in the options market in the same tenor. Futures volumes on the day were 2.7x 20-day average with over 10 million trading across tenors. In fed funds futures, preliminary data shows a small drop of 4,031 in the October contract following a record amount of just over 1 million trading over the session.

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 higher for the day, as gold prices held a small advance, with markets looking ahead to this week's US inflation data for clues on the size of the Federal Reserve's expected rate cut at its meeting next week.

Key Market Levels for the Day

Bullion	Month	S3	S2	S1	R1	R2	R3
Gold – COMEX	December	2472	2486	2496	2515	2532	2542
Silver – COMEX	December	27.50	27.80	28.15	28.64	28.92	29.28
Gold – MCX	October	71000	71200	71400	71770	72000	72230
Silver – MCX	December	81500	82200	83000	83780	84200	85000

Nirmal Bang Securities - Daily Currency Market Update

Dollar Index

LTP/Close	Change	% Change
101.55	0.38	0.37

Bond Yield

10 YR Bonds	LTP	Change
United States	3.7004	-0.0076
Europe	2.1670	-0.0030
Japan	0.9010	0.0470
India	6.8540	0.0000

Emerging Market Currency

Currency	LTP	Change
Brazil Real	5.5849	-0.0145
South Korea Won	1342	7.0000
Russia Rubble	90.55	0.0964
Chinese Yuan	7.1137	0.0157
Vietnam Dong	24666	51.0000
Mexican Peso	19.8863	-0.0936

NSE Currency Market Watch

Currency	LTP	Change
NDF	84.07	-0.0100
USDINR	84.01	0.0025
JPYINR	58.5225	-0.1675
GBPINR	109.9375	-0.6725
EURINR	92.8925	-0.5100
USDJPY	143.45	0.9600
GBPUSD	1.3079	-0.0097
EURUSD	1.1049	-0.0066

Market Summary and News

□ The dollar rose against nearly all Group-of-10 peers, putting it on pace for its best day in more than a week, as front-end Treasury yields rose ahead of this week's US inflation data and presidential debate. The Bloomberg Dollar Spot Index rises as much as 0.4%; policy-sensitive two-year Treasury yields higher by 2bps to 3.7%; Traders are expecting roughly 109bp of easing from Federal Reserve by year-end, compared to some 112bp Friday. "The Fed easing cycle is about to start and whereas the dollar didn't start to fall until the Fed were well into the easing cycle in 1985 and 2001, it has pre-empted the move this time," Societe Generale's Kit Juckes wrote in a Monday note. "That may result in choppy trading over the coming weeks, especially as the market prices an unrealistically fast pace of Fed easing." USD/JPY rises as much as 1.1% to 143.80 sessions high after a report showed Japan's GDP expanded at an annualized pace of 2.9% in the second quarter; pair then pared gains in NY session. Some leveraged funds which initiated short dollar-yen positions in anticipation of a stocks-fueled risk-off price movement have since exited, according to Asia-based FX traders. USD/CHF up 0.7% to 0.8484; it hit 0.8375 Friday, a fresh year-to-date low. Loonie outperforms, only G-10 currency to gain against USD Monday; USD/CAD slips 0.1% to 1.3561. Canadian currency nearly flat versus greenback since BOC cut rates on Sep. 4. EUR/USD down 0.4% to 1.1042; short-term stops filled below 1.1080, a Europe-based trader says. Former ECB President Mario Draghi called on the EU to invest as much as €800 billion extra a year to make the bloc more competitive and to commit to the regular issuance of common bonds to compete with China and the US.

□ The Indian rupee and sovereign bonds traded little changed as traders watched for further domestic triggers, including the inflation data due later this week, to gauge the path for rates in the country. USD/INR steady at 83.9550. 10-year yields little changed at 6.85%. "CPI gains this quarter are set to undershoot the central bank's forecast by a wide margin," Abhishek Gupta, senior India economist at Bloomberg Economics writes in a note. "Together with weak 2Q GDP growth, the data will add to the case for a rate cut." Expects the RBI to begin its easing cycle in October; The CPI data is due on Sept. 12. Offshore investors bought 1.21 billion rupees of sovereign bonds under limits available to foreign investors, and added 3.81 billion rupees of corporate debt, according to latest available data on Bloomberg. "Following the inclusion, some 'off-the-run' bonds (2030/2032/2053) have experienced higher flows, reflecting improved liquidity across the curve as investors try to minimize index tracking errors," Morgan Stanley analysts Nimish M. Prabhune and Min Dai write in a note. "We anticipate that flows will remain on course in the coming months, driven by expectations of the Fed starting its easing policy this month and local regulatory support to facilitate foreign access to the India government-securities market."

□ An index of emerging-market equities dropped to a one-month low, dragged lower by Asian stocks, as fresh data showing deflation risks in China raised questions about global growth. Most developing-nation currencies fell — except for the Mexican peso and the Brazilian real — on the back of a stronger dollar as traders await latest economic data in the US. Traders will get further clues on the potential pace of rate cuts on Wednesday with the release of August's CPI data. MSCI's EM equity benchmark falls for a second day, taking its decline this month to 3.3%. The index dropped to the lowest level since early August. Asian semiconductor stocks led by Taiwan Semiconductor Manufacturing, and Chinese tech shares, contributed most to the gauge's retreat; China's latest figures showed the consumer-price index missed estimates, while factory-gate prices continued to shrink, adding to signs the government's stimulus has failed to revive consumer demand or reverse industrial deflation. Most emerging-market currencies also declined, with MSCI's EM currencies index down 0.3%. Amid the outliers, the Brazilian real and the Mexican peso rose. "MXN and BRL have been the silver-lining, where since last week their correlations to risk aversion seem to have dropped a notch as a sign of cheaper valuations," said Alejandro Cuadrado, a strategist at BBVA. Thai baht, Colombian peso and Hungarian forint were the worst performers. COP dropped to the lowest level since October 2023 after slower-than-expected inflation stoked bets on rate cuts.

Key Market Levels for the Day

	S3	S2	S1	R1	R2	R3
USDINR SPOT	83.8650	83.8925	83.9275	83.9625	84.9825	84.0250

Nirmal Bang Securities - Bullion Technical Market Update

Gold Market Update



Market View	
Open	71504
High	71700
Low	71127
Close	71628
Value Change	202
% Change	0.28
Spread Near-Next	475
Volume (Lots)	5027
Open Interest	14542
Change in OI (%)	-3.40%

Gold - Outlook for the Day

BUY GOLD OCT (MCX) AT 71450 SL 71250 TARGET 71675/71725

Silver Market Update



Market View	
Open	82967
High	83760
Low	82251
Close	83645
Value Change	888
% Change	1.07
Spread Near-Next	2475
Volume (Lots)	12365
Open Interest	31696
Change in OI (%)	-3.08%

Silver - Outlook for the Day

BUY SILVER DEC (MCX) AT 83000 SL 82350 TARGET 83800/84100

Nirmal Bang Securities - Currency Technical Market Update

USDINR Market Update



Market View	
Open	84.0100
High	84.0175
Low	83.9750
Close	84.0100
Value Change	0.0025
% Change	0.0030
Spread Near-Next	-0.6830
Volume (Lots)	87544
Open Interest	2049635
Change in OI (%)	0.05%

USDINR - Outlook for the Day

The USDINR future witnessed gap-flat opening at 83.01, which was followed by a session where price shows minimal buying from lower level with candle enclosure below near high. A small doji candle formed by the USDINR price where price closed between short-moving averages. On the daily chart, the MACD showed a negative crossover above zero-line, while the momentum indicator, RSI moving north near 53-58 levels shows positive indication. We are anticipating that the price of USDINR futures will fluctuate today between 83.97 and 84.05.

Key Market Levels for the Day

	S3	S2	S1	R1	R2	R3
USDINR SEPT	83.9175	83.9450	83.9725	84.0350	84.0675	84.0950

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