

Daily Bullion Physical Market Report

Date: 10th October 2024

Daily India Spot Market Rates

Description	Purity	AM	PM
Gold	999	74834	75009
Gold	995	74534	74709
Gold	916	68548	68708
Gold	750	56126	56257
Gold	585	43778	43880
Silver	999	88290	88661

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

Gold and Silver 999 Watch

Date	GOLD*	SILVER*
09 th October 2024	75009	88661
08 th October 2024	75726	90412
07 th October 2024	75933	91940
04 th October 2024	75964	92200

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

COMEX Futures Watch

Description	Contract	Close	Change	%Chg
Gold(\$/oz)	DEC 24	2626.00	-9.40	-0.36
Silver(\$/oz)	DEC 24	30.67	0.07	0.23

ETF Holdings as on Previous Close

ETFs	In Tonnes	Net Change
SPDR Gold	876.26	0.00
iShares Silver	14,663.18	92.20

Gold and Silver Fix

Description	LTP
Gold London AM Fix(\$/oz)	2617.55
Gold London PM Fix(\$/oz)	2610.70
Silver London Fix(\$/oz)	30.69

Bullion Futures DGCX

Description	Contract	LTP
Gold(\$/oz)	DEC 24	2627.4
Gold Quanto	DEC 24	74954
Silver(\$/oz)	DEC 24	30.77

Gold Ratio

Description	LTP
Gold Silver Ratio	85.62
Gold Crude Ratio	35.85

Weekly CFTC Positions

	Long	Short	Net
Gold(\$/oz)	267477	18517	248960
Silver	53088	14709	38379

MCX Indices

Index	Close	Net Change	% Chg
MCX iCOMDEX Bullion	18596.63	-21.01	-0.11 %

Macro-Economic Indicators

Time	Country	Event	Forecast	Previous	Impact
10 th October 06:00 AM	United States	Core CPI m/m	0.2%	0.3%	High
10 th October 06:00 AM	United States	CPI m/m	0.1%	0.2%	High
10 th October 06:00 AM	United States	CPI y/y	2.3%	2.5%	High
10 th October 06:00 AM	United States	Unemployment Claims	231K	225K	High
10 th October 06:45 AM	United States	FOMC Member Cook Speaks	-	-	Low
10 th October 08:00 AM	United States	FOMC Member Barkin Speaks	-	-	Low
10 th October 08:30 AM	United States	FOMC Member Williams Speaks	-	-	Low

Nirmal Bang Securities - Daily Bullion News and Summary

□ Gold fell for a sixth day on Wednesday as comments from Federal Reserve policymakers added to signs that US rate cuts won't be as aggressive as previously thought. Bullion traded below \$2,610 an ounce, after closing 0.8% lower on Tuesday amid pressure from a stronger dollar as markets priced in a more gradual pace of easing this year and into early 2025. Swaps markets now point to about 50 basis points of cuts this year, down from 75 basis points about two weeks ago. Federal Reserve Bank of Dallas President Lorie Logan said the central bank should lower interest rates at a slower pace following an unusually large cut last month. Traders will be watching US inflation data due later this week for further clues on the rate path. The report is expected to show consumer prices continued to moderate. The precious metal has still surged by more than a quarter this year, hitting successive record highs, on rate-cut optimism, as well as strong central bank purchases and heightened geopolitical tensions. Fears that hostilities in the Middle East could morph into a full-blown regional war appear to have eased in recent days, possibly reducing some haven demand, while gold has also come under pressure due to a rallying dollar.

□ Gold's recent humdrum price action suggests investors may want to consult the technical strategies playbook for an inkling of what's to come. As price trend indicators still appear bullish, traders could be more inclined to buy the dips than seek to take profit. Bullion at above \$2,600/oz has ample space to stay higher and it's far from the 50-day moving average of \$2,550/oz. In a bull market, the highest profit and loss obviously comes from a buy-and-hold strategy. However, when market direction stalls -- particularly as hedge funds cut their net-bullish bets to a three-week low -- following an Exponential Moving Average strategy has historically been the most profitable approach after buy-and-hold. Over the past decade, EMA-based strategies have delivered over \$12 million in P&L. This is because gold remains a technically-driven asset, where moving averages consistently outperform other trading methods, according to a back testing analysis. Despite gold's recent pause given headwinds from a strong dollar and reduced Fed easing bets, downside risks appear limited. Gold's traditional role as a haven asset has been muted, but its renewed relationship with rate expectations -- after a departure away from fundamentals -- and central-bank appetite for it can keep it supported on the longer term.

□ Ghanaian unions have called off a strike after the government promised to take measures to clean up Africa's biggest gold producer's small-scale mining sector. The Trades Union Congress' planned strike represented the biggest escalation of a movement to clamp down on illegal gold mining that's caused severe environmental damage in the West African country, polluting rivers and soils, and poisoning people. The umbrella body of unions said Wednesday that it called off the strike, meant to start Thursday, because Ghana's outgoing president, Nana Akufo-Addo, pledged to revoke a law that allows some mines to operate in forest reserves, its secretary-general, Joshua Ansah, said in a conference broadcast by Accra-based Joy TV. Akufo-Addo also promised to deploy soldiers to fight illegal miners operating in forest reserves and near water bodies following talks with union leaders, Ansah said. These are concessions that organized labor has "forced government to make toward combating illegal mining in Ghana," he said. The presidency confirmed the measures in a statement Wednesday. Gold is a mainstay of the Ghanaian economy, accounting for nearly half of exports in 2023, according to central bank data. Large-scale miners such as Newmont Corp. and Gold Fields Ltd. have to adhere to strict environmental rules, but a thriving artisanal and small-scale mining industry is less regulated, or not at all, in some cases.

□ Federal Reserve Chair Jerome Powell received some pushback on a half-point interest-rate cut in September, as some officials preferred a smaller, quarter-point cut. "Some participants observed that they would have preferred a 25-basis-point reduction of the target range at this meeting, and a few others indicated that they could have supported such a decision," according to the minutes of the Federal Open Market Committee's Sept. 17-18 meeting, released Wednesday in Washington. All participants said it was appropriate to reduce borrowing costs. US central bankers lowered the benchmark lending rate by half a percentage point last month, a decisive move to protect the economic expansion as stubborn inflation eases and risks to the labor market rise. Despite the debate, the minutes noted a "substantial majority" supported the outside move. One issue for a number of officials was that such a large move was out of step with their intent to lower interest rates gradually. "Several participants noted that a 25 basis point reduction would be in line with a gradual path of policy normalization that would allow policymakers time to assess the degree of policy restrictiveness as the economy evolved," according to the minutes. While Governor Michelle Bowman placed the only dissenting vote against the move, the minutes revealed a deeper split among officials than implied by the near-unanimous decision. It suggests Powell led the committee to a larger move.

□ Federal Reserve Bank of Boston President Susan Collins said it was "prudent" for officials to lower rates by a half percentage point last month as inflation declines and the economy becomes more vulnerable to shocks. "I saw an initial 50-basis-point rate reduction as prudent in this context, recognizing that monetary policy remains in restrictive territory," Collins said Wednesday in remarks prepared for an event in Worcester, Massachusetts. "Further adjustments will likely be needed." The Boston Fed chief largely repeated comments she made on Tuesday, including her view that policymakers should take a "careful, data-based approach" as they lower rates to help preserve the strength in the US economy. She emphasized again that policy is not on a pre-set path. The Fed lowered rates last month for the first time since the onset of the pandemic, cutting borrowing costs by a larger-than-expected half point. Fed Chair Jerome Powell said the move was meant to protect the US labor market as inflation moves closer to the central bank's 2% target. A blockbuster September jobs report released last week eased worries about the cooling labor market and gave policymakers more leeway to lower rates at a slower pace. Investors now see the Fed lowering interest rates by a quarter point in November, followed by a similar move in December. Minutes from the Sept. 17-18 gathering released on Wednesday reported that a "substantial majority" of policymakers supported the outside cut, but also suggested there was robust debate over the decision. "Some" participants preferred a quarter-point cut and a "few others" indicated they could have supported such a move.

Fundamental Outlook: Gold and silver prices are trading slightly higher today on the international bourses. We expect gold and silver prices to trade range-bound to higher for the day; as traders waited for US inflation data that may define Federal Reserve policy easing in the coming months.

Key Market Levels for the Day

Bullion	Month	S3	S2	S1	R1	R2	R3
Gold – COMEX	December	2570	2600	2620	2635	2655	2680
Silver – COMEX	December	31.20	31.50	31.80	32.00	32.30	32.70
Gold – MCX	December	74500	74700	74900	75300	75500	75800
Silver – MCX	December	87200	88000	88800	89300	90000	90800

Nirmal Bang Securities - Daily Currency Market Update

Dollar Index

LTP/Close	Change	% Change
102.93	0.38	0.37

Bond Yield

10 YR Bonds	LTP	Change
United States	4.0726	0.0606
Europe	2.2560	0.0140
Japan	0.9350	0.0080
India	6.7680	-0.0390

Emerging Market Currency

Currency	LTP	Change
Brazil Real	5.5935	0.0591
South Korea Won	1346.3	2.0500
Russia Rubble	97	0.1734
Chinese Yuan	7.0808	0.0175
Vietnam Dong	24835	-6.0000
Mexican Peso	19.4965	0.1411

NSE Currency Market Watch

Currency	LTP	Change
NDF	84.08	0.0000
USDINR	84.0375	-0.0025
JPYINR	56.6825	-0.2125
GBPINR	109.9425	-0.0950
EURINR	92.1825	-0.2025
USDJPY	148.22	0.6800
GBPUSD	1.3084	0.0003
EURUSD	1.0972	-0.0028

Market Summary and News

□ Indian bonds rallied after the central bank pivoted to a neutral policy stance, paving the way for future interest rate cuts. FTSE Russell's decision to add the nation's local currency debt to its emerging market bond index also supported sentiment. 10-year yields fell 4bps to 6.77% after dropping as much as 7bps in earlier trade; one-year overnight index swap rates dropped about 6bps to 6.40%, the most in two months. "Expectations on stance change were low, and this was a positive surprise for the market," says Avnish Jain, head of fixed income at Canara Robeco Mutual Fund. "The overall policy was positive for markets with yields down and curve steepening. Short-term bonds rallied more on change in stance and expected rate cut likely in the next policy meet. With the induction of Indian FAR G-Secs into the FTSE Emerging Market Bond Index, markets are likely to remain buoyant in near term." FTSE Russell is adding India to its gauge of emerging market debt from 2025, citing the government's progress in improving market access. "While estimates vary widely, we believe that the AUM tracking the FTSE Emerging Markets Government Bond Index is far smaller than World Global Bond Index," Michael Wan, senior currency analyst at MUFG, wrote in a note. "As such, the actual flow impact to Indian bonds may only be around US\$2b-5b over the time period by our estimates." The central bank may also cut rates in December, he says. USD/INR was steady at 83.9637.

□ Emerging-market currencies retreated for a seventh session, led by losses in Brazil's real, and stocks tumbled anew as the lack of stronger fiscal stimulus this week from Beijing kept riskier assets under pressure. Traders are now shifting focus to a key US CPI report on Thursday. A selloff in Chinese stocks spread from Hong Kong to mainland exchanges, sending the MSCI EM stocks index lower. Tencent and Alibaba were the biggest negative contributors to the index decline. EM currencies slip 0.1%, notching their longest losing streak since March. The BRL was the worst-performing name in a basket of EM currencies tracked by Bloomberg amid renewed Brazil's fiscal risks, while the country's swap rates spiked. Sovereign dollar bonds from Colombia fell across the curve after the country's electoral council opened a probe into Gustavo Petro's presidential campaign; Ecopetrol notes due in 2043 fell as much as 2.7 cents on the dollar, according to Trace data.

□ The dollar held to its gains as the minutes of the latest Federal Reserve meeting showed that there was some pushback against a half-point interest-rate cut. Traders now shift focus to US inflation report due Thursday. The yen was weakening toward the closely watched level of 150 per US dollar, while the New Zealand dollar was the worst performer after the local central bank accelerated the path of monetary easing. The Bloomberg Dollar Spot Index rose 0.4%; gaining streak extended into an eighth session, the longest stretch since April 2022. Fed minutes text said that "some participants noted that there had been a plausible case for a 25 basis point rate cut at the previous meeting." "This fits in with many, me included, that believe that the 50 bp move was a bit of catch-up for the July hold," wrote Win Thin, global head of markets strategy at Brown Brothers Harriman. Forecasters expect a monthly government report to show a deceleration in key measures of inflation and provide more clue on the pace of further Fed rate cuts. There is a risk the Fed has to raise interest rates next year given the inflationary policy platforms of both US presidential candidates, according to Mark Dowding, the chief investment officer at RBC BlueBay Asset Management. USD/JPY up by 0.7% to 149.30; "USD/JPY is gradually climbing towards 150, and the pair is currently higher than the 'fair value' level implied from the rate differential," wrote Yusuke Miyairi, a currency strategist at Nomura International Plc. "We retain our view that the potential for a further significant increase beyond 150 is likely to be limited." GBP/USD fell 0.3% to 1.3070. EUR/GBP slightly lower at 0.8369; the ECB will very probably lower interest rates next week and will loosen monetary policy again at future meetings depending on progress combating price rises, Governing Council member Francois Villeroy de Galhau said. Kiwi fell to its lowest since Aug. 19, after the nation's central bank accelerated its easing as policy makers grow more concerned about the economic slowdown. NZD/USD lost 1.4% to 0.6056; NZD/EUR fell about 1%. Citi sees RBNZ cutting rates by 75bps in November. AUD/NZD rallies by 0.9% to 1.1088.

Key Market Levels for the Day

	S3	S2	S1	R1	R2	R3
USDINR SPOT	83.8050	83.8525	83.9075	84.0125	84.0525	84.1075

Nirmal Bang Securities - Bullion Technical Market Update

Gold Market Update



Market View	
Open	75171
High	75335
Low	74844
Close	74934
Value Change	-227
% Change	-0.3
Spread Near-Next	569
Volume (Lots)	4766
Open Interest	14303
Change in OI (%)	-1.90%

Gold - Outlook for the Day

BUY GOLD DEC (MCX) AT 74900 SL 74650 TARGET 75300/75500

Silver Market Update



Market View	
Open	89100
High	89614
Low	88281
Close	88872
Value Change	143
% Change	0.16
Spread Near-Next	2469
Volume (Lots)	14623
Open Interest	28647
Change in OI (%)	-2.09%

Silver - Outlook for the Day

BUY SILVER DEC (MCX) AT 88800 SL 88000 TARGET 90000/90800

Nirmal Bang Securities - Currency Technical Market Update

USDINR Market Update



Market View	
Open	84.0100
High	84.0400
Low	83.9825
Close	84.0375
Value Change	-0.0025
% Change	-0.0030
Spread Near-Next	-0.7105
Volume (Lots)	122168
Open Interest	2595018
Change in OI (%)	-1.51%

USDINR - Outlook for the Day

The USDINR future witnessed gap-down opening at 84.01, which was followed by a session where price shows consolidation with positive buyer with candle enclosure near high. A small green candle has been formed by the USDINR price where price continuously closed above short-term moving averages. On the daily chart, the MACD showed a positive crossover below zero-line, while the momentum indicator, RSI trailing between 50-55 levels shows positive indication. We are anticipating that the price of USDINR futures will fluctuate today between 83.97 and 84.07.

Key Market Levels for the Day

	S3	S2	S1	R1	R2	R3
USDINR OCT	83.9475	83.9750	84.0125	84.0450	84.0775	84.1050

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