

Daily Bullion Physical Market Report

Date: 16th October 2024

Daily India Spot Market Rates

| Description | Purity | AM | PM |
|-------------|--------|-------|-------|
| Gold | 999 | 75687 | 75930 |
| Gold | 995 | 75384 | 75626 |
| Gold | 916 | 69329 | 69552 |
| Gold | 750 | 56765 | 56948 |
| Gold | 585 | 44277 | 44419 |
| Silver | 999 | 89578 | 89800 |

Rate as exclusive of GST as of 15th October 2024 Gold is Rs/10 Gm & Silver in Rs/Kg

Gold and Silver 999 Watch

| Date | GOLD* | SILVER* |
|-------------------------------|-------|---------|
| 15 th October 2024 | 75930 | 89800 |
| 14 th October 2024 | 76001 | 90026 |
| 11 th October 2024 | 75623 | 88353 |
| 10 th October 2024 | 74838 | 88353 |

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

COMEX Futures Watch

| Description | Contract | Close | Change | %Chg |
|---------------|----------|---------|--------|------|
| Gold(\$/oz) | DEC 24 | 2678.90 | 13.30 | 0.50 |
| Silver(\$/oz) | DEC 24 | 31.76 | 0.44 | 1.41 |

ETF Holdings as on Previous Close

| ETFs | In Tonnes | Net Change |
|----------------|-----------|------------|
| SPDR Gold | 877.98 | 1.72 |
| iShares Silver | 14,620.63 | 0.00 |

Gold and Silver Fix

| Description | LTP |
|---------------------------|---------|
| Gold London AM Fix(\$/oz) | 2653.25 |
| Gold London PM Fix(\$/oz) | 2649.05 |
| Silver London Fix(\$/oz) | 31.16 |

Bullion Futures DGCX

| Description | Contract | LTP |
|---------------|----------|--------|
| Gold(\$/oz) | DEC 24 | 2678.9 |
| Gold Quanto | DEC 24 | 76380 |
| Silver(\$/oz) | DEC 24 | 31.68 |

Gold Ratio

| Description | LTP |
|-------------------|-------|
| Gold Silver Ratio | 84.36 |
| Gold Crude Ratio | 37.96 |

Weekly CFTC Positions

| | Long | Short | Net |
|-------------|--------|-------|--------|
| Gold(\$/oz) | 244756 | 18473 | 226283 |
| Silver | 48044 | 13300 | 34744 |

MCX Indices

| Index | Close | Net Change | % Chg |
|---------------------|----------|------------|--------|
| MCX iCOMDEX Bullion | 18870.27 | 110.24 | 0.58 % |

Macro-Economic Indicators

| Time | Country | Event | Forecast | Previous | Impact |
|-----------------------------------|---------------|-------------------|----------|----------|--------|
| 16 th October 06:00 PM | United States | Import Prices m/m | -0.3% | -0.3% | Low |

Nirmal Bang Securities - Daily Bullion News and Summary

□ Gold rose on Tuesday as traders digested comments from a senior US policymaker and other central bank officials. Federal Reserve Governor Christopher Waller on Monday said recent economic data signals policymakers can approach subsequent interest-rate reductions with less urgency than they applied at their gathering last month. Meanwhile, reserve managers from the central banks of Mexico, Mongolia and the Czech Republic made positive comments about gold on a panel in Miami at an annual industry conference held by the London Bullion Market Association. Gold has risen more than 29% this year, with rate-cut optimism fueling recent gains. The metal has also been supported by robust purchases by central banks, as well as haven demand, amid ongoing conflicts in Ukraine and the Middle East. The Bloomberg Dollar Spot Index rose, while the US 10-year Treasury yield fell.

□ Exchange-traded funds added 38,259 troy ounces of gold to their holdings in the last trading session, bringing this year's net sales to 2.12 million ounces, according to data compiled by Bloomberg. The purchases were equivalent to \$101.3 million at yesterday's spot price. Total gold held by ETFs fell 2.5 percent this year to 83.5 million ounces. Gold advanced 28 percent this year to \$2,648.54 an ounce and fell by 0.3 percent in the latest session. State Street's SPDR Gold Shares, the biggest precious-metals ETF, boosted its holdings by 55,430 ounces in the last session. The fund's total of 28.2 million ounces has a market value of \$74.8 billion. ETFs cut 545,914 troy ounces of silver from their holdings in the last trading session, bringing this year's net purchases to 27.6 million ounces. This was the third straight day of declines.

□ Federal Reserve Bank of Atlanta President Raphael Bostic said he expects the US economy to slow this year but to remain robust, adding that the downward path for inflation could see some bumps. Bostic said he projects GDP growth to be about 2% in 2025 as households spend down their savings. Growth is on track for about 2.6% this year. The Atlanta Fed chief added that he expects the Fed's benchmark rate to drop to about 3% to 3.5% in the long run, but the timing for reaching that level is uncertain. It's currently in a range of 4.75% to 5%. "The question everybody asks us is 'how fast?' I think it depends on what happens in the labor market and what happens with inflation," Bostic said Tuesday during a moderated conversation in Atlanta. "I actually think we're going to see inflation be choppy, and I expect that we'll see employment stay robust." Fed officials lowered borrowing costs by a half percentage point last month, a larger-than-typical move meant to protect the strength of the economy. A robust jobs report and a stronger-than-expected inflation reading for September have prompted several policymakers to say the US central bank should move at a more incremental pace with future rate cuts. Bostic said last week he was open to leaving rates steady at one of the Fed's two remaining meetings this year if data support that approach. He repeated Tuesday that he had penciled in one more quarter-point rate cut for this year at last month's meeting, but that the final path for rates would depend on the economy.

□ Federal Reserve Bank of San Francisco President Mary Daly said the US central bank must stay vigilant as inflation declines and the labor market cools, though she expressed optimism that officials could keep the current economic expansion on track. Daly said workers are benefiting from a strong labor market that has drawn more people into the workforce and narrowed earnings gaps, as in past extended periods of growth. "We've already seen some of the same patterns play out in our current expansion. Labor force participation for prime-age workers has reached new highs," Daly said Tuesday at an event in New York organized by the NYU Stern School of Business. "Compared to recent history, the current expansion is still relatively young." Fed officials lowered their benchmark rate by a half percentage point last month, a move policymakers said was meant to protect the labor market. Officials also projected the central bank would reduce borrowing costs by another half point over the remainder of 2024, according to the median of estimates released in September. Data released since the meeting showed hiring last month was more robust than expected and underlying inflation rose more than forecast, prompting several Fed officials to say they favored a more gradual approach to future cuts. Daly said Tuesday the labor market was close to pre-pandemic levels and was no longer a source of major inflationary pressures. She also said the Fed's inflation and employment goals are now balanced; adding officials must keep working to protect the strength of the labor market and bring inflation to their 2% target. "We must stay vigilant and be intentional, continually assessing the economy and balancing both of our mandated objectives: fully delivering on 2% inflation while ensuring that the labor market remains in line with full employment," she said. Daly reiterated that last month's rate cut was a "recalibration" of policy as inflation cools, emphasizing that rates are still restrictive. She said last week she thought the central bank would likely make one or two more quarter-point rate reductions this year.

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 digested comments from a senior US policymaker and other central bank officials for the U.S. economy.

Key Market Levels for the Day

| Bullion | Month | S3 | S2 | S1 | R1 | R2 | R3 |
|----------------|----------|-------|-------|-------|-------|-------|-------|
| Gold – COMEX | December | 2620 | 2645 | 2675 | 2690 | 2720 | 2750 |
| Silver – COMEX | December | 31.30 | 31.55 | 31.75 | 31.85 | 32.10 | 32.35 |
| Gold – MCX | December | 75700 | 75950 | 76200 | 76500 | 76700 | 77000 |
| Silver – MCX | December | 89700 | 90500 | 91200 | 91800 | 92500 | 93200 |

Nirmal Bang Securities - Daily Currency Market Update

Dollar Index

| LTP/Close | Change | % Change |
|-----------|--------|----------|
| 103.26 | -0.04 | -0.04 |

Bond Yield

| 10 YR Bonds | LTP | Change |
|---------------|--------|---------|
| United States | 4.0317 | -0.0686 |
| Europe | 2.2210 | -0.0520 |
| Japan | 0.9730 | 0.0210 |
| India | 6.7680 | -0.0140 |

Emerging Market Currency

| Currency | LTP | Change |
|-----------------|---------|---------|
| Brazil Real | 5.6529 | 0.0592 |
| South Korea Won | 1364.8 | 7.0000 |
| Russia Rubble | 97 | 1.3438 |
| Chinese Yuan | 7.1195 | 0.0298 |
| Vietnam Dong | 24923 | 77.0000 |
| Mexican Peso | 19.6987 | 0.3184 |

NSE Currency Market Watch

| Currency | LTP | Change |
|----------|---------|---------|
| NDF | 84.18 | -0.0100 |
| USDINR | 84.0825 | -0.0300 |
| JPYINR | 56.46 | 0.1575 |
| GBPINR | 110 | 0.2275 |
| EURINR | 91.735 | -0.2025 |
| USDJPY | 149.03 | -0.3800 |
| GBPUSD | 1.3079 | 0.0029 |
| EURUSD | 1.0906 | -0.0024 |

Market Summary and News

□ Balances at the Federal Reserve's overnight reverse repurchase agreement facility dropped below \$300 billion for the first time in about a month as Treasury auction settlements pulled cash from the private market, driving rates higher. Some 50 counterparties parked \$286.4 billion at the RRP on Tuesday, the lowest since Sept. 17, from \$331.7 billion the prior session. The number of users was the smallest since Sept. 16. Meanwhile, overnight general collateral repo last traded at 4.95%; it first traded at 4.91%, 4.92% with a bid-ask of 4.93%-4.91%, according to ICAP. Tuesday's Treasury coupon auction and bill settlements raised about \$41 billion of new supply, data show. Thursday's bill settlements will raise another \$22 billion. Market participants are closely watching the pace at which the facility, known as the RRP, empties. Some on Wall Street warn the draining facility is evidence that excess liquidity has been removed from the financial system and bank reserve balances are less abundant than policymakers believe. Barclays said in a note the New York Fed's first and only barometer that explicitly measures banks' demand for reserves — to be released on Thursday — will likely show balances are ample and quantitative tightening could continue in 2025. Elsewhere, Treasury sold \$81 billion of three-month bills at 4.515% and \$72 billion of six-month bills at 4.27% on Tuesday, as well as a 43-day cash management bill at 4.685%.

□ Indian bonds edged higher as a drop in oil prices helped offset the impact of acceleration in consumer prices. The rupee traded steady. 10-year yields fell 1bps to 6.77% on Tuesday. Oil tumbled 5% as concerns over a major supply disruption eased following a report that said Israel may avoid targeting Iran's crude infrastructure. "Crude is a big driver for bonds today," said Pankaj Pathak, senior fund manager for fixed income at Quantum Asset Management. "Market is willing to look through higher CPI this month and the next." The increase in inflation "seems temporary, and some part of it was already expected." The consumer-price index rose 5.49% in September from a year earlier, the quickest pace in nine months, government data showed after the close of markets on Monday. That's higher than a reading of 3.65% in August and a 5.1% median forecast in Bloomberg News. "Sept. CPI print has reaffirmed our view that despite a stance change, near-term inflation risks do not favor a December rate cut," Citi economists including Samiran Chakraborty write in a note. "While our base case remains Feb. 2025 rate cuts, we continue to see the risk of a further delay to April 2025 as inflation could still be averaging 4.5% by the time of Feb. 2025 MPC meet." USD/INR little changed at 84.0375. Indian states sold INR130.5b of bonds as planned on Tuesday. The RBI drained INR260.6b vs. an INR500b plan through a 2-day variable rate reverse repo (VRRR) auction.

□ A Bloomberg gauge of the dollar rose to session highs as Donald Trump defended proposals to dramatically raise tariffs on foreign imports — citing trade with Mexico, Europe and China, among other economies — in an interview with Bloomberg Editor-in-Chief John Micklethwait. Bloomberg Dollar Spot Index rises 0.2%. "To me, the most beautiful word in the dictionary is tariff," Trump said in Bloomberg interview, highlighting among other issues China "building massive auto plants in Mexico." Mexican peso falls to session low; USD/MXN rises 1.4% to 19.65. USD/CAD rises to session high of 1.3839 after Canada CPI data was below estimates, than pares nearly its entire advance. Pair on edge of 10 days of gains, the longest streak in more than seven years; Money markets are now pricing some 45bp of easing from the BOC later this month. USD/JPY declines 0.2% to 149.49, paring Monday's advance; rejection of 150 handle sends longs into profit-taking mode, a Europe-based trader says. One-week risk reversals stand at 46bp, puts over calls, reflecting the spot retreat as they traded earlier at 14bp. The Australian and New Zealand dollars fell in view of yuan weakness that was fueled by falling deposit rates in China and US tariff risks. AUD/USD down 0.4% at 0.6702; NZD/USD off 0.3% to 0.6079; New Zealand Finance Minister Nicola Willis said falling rates and fiscal discipline will help revive demand in economy next year. GBP/USD up 0.1% 1.3068; data showed UK wages grew at the slowest pace in more than two years over the summer.

Key Market Levels for the Day

| | S3 | S2 | S1 | R1 | R2 | R3 |
|-------------|---------|---------|---------|---------|---------|---------|
| USDINR SPOT | 83.9750 | 84.0025 | 84.0375 | 84.1025 | 84.1325 | 84.1675 |

Nirmal Bang Securities - Bullion Technical Market Update

Gold Market Update



| Market View | |
|------------------|-------|
| Open | 76026 |
| High | 76488 |
| Low | 75766 |
| Close | 76360 |
| Value Change | 314 |
| % Change | 0.41 |
| Spread Near-Next | 494 |
| Volume (Lots) | 6315 |
| Open Interest | 14709 |
| Change in OI (%) | 1.84% |

Gold - Outlook for the Day

BUY GOLD DEC (MCX) AT 76200 SL 75950 TARGET 76500/76700

Silver Market Update



| Market View | |
|------------------|--------|
| Open | 90765 |
| High | 91988 |
| Low | 89705 |
| Close | 91623 |
| Value Change | 887 |
| % Change | 0.98 |
| Spread Near-Next | 2374 |
| Volume (Lots) | 18927 |
| Open Interest | 27172 |
| Change in OI (%) | -1.99% |

Silver - Outlook for the Day

BUY SILVER DEC (MCX) AT 91200 SL 90500 TARGET 92000/92500

Nirmal Bang Securities - Currency Technical Market Update

USDINR Market Update



| Market View | |
|------------------|---------|
| Open | 84.1175 |
| High | 84.1350 |
| Low | 84.1025 |
| Close | 84.1125 |
| Value Change | -0.0350 |
| % Change | -0.0416 |
| Spread Near-Next | -0.7855 |
| Volume (Lots) | 352574 |
| Open Interest | 2755623 |
| Change in OI (%) | 2.71% |

USDINR - Outlook for the Day

The USDINR future witnessed gap-down opening at 84.12, which was followed by a session where price shows consolidation with negative buyer with candle enclosure near high. A small doji candle has been formed by the USDINR price with positive cross-over of short-term moving averages. On the daily chart, the MACD showed a positive crossover below zero-line, while the momentum indicator, RSI trailing between 56-60 levels shows positive indication. We are anticipating that the price of USDINR futures will fluctuate today between 84.03 and 84.15.

Key Market Levels for the Day

| | S3 | S2 | S1 | R1 | R2 | R3 |
|------------|---------|---------|---------|---------|---------|---------|
| USDINR OCT | 84.0075 | 84.0450 | 84.0825 | 84.1450 | 84.1875 | 84.2250 |

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