

Daily Bullion Physical Market Report

Date: 18th September 2024

Daily India Spot Market Rates

Description	Purity	AM	PM
Gold	999	73505	73276
Gold	995	73211	72983
Gold	916	67331	67121
Gold	750	55129	54957
Gold	585	43000	42867
Silver	999	88028	87537

Rate as exclusive of GST as of 17th September 2024 Gold is Rs/10 Gm & Silver in Rs/Kg

Gold and Silver 999 Watch

Date	GOLD*	SILVER*
17 th September 2024	73276	87537
16 th September 2024	73489	88314
13 th September 2024	73044	86100
12 th September 2024	71801	83188

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

COMEX Futures Watch

Description	Contract	Close	Change	%Chg
Gold(\$/oz)	DEC 24	2592.40	-16.50	-0.63
Silver(\$/oz)	DEC 24	30.98	-0.16	-0.50

ETF Holdings as on Previous Close

ETFs	In Tonnes	Net Change
SPDR Gold	870.51	-0.27
iShares Silver	14,389.42	-185.87

Gold and Silver Fix

Description	LTP
Gold London AM Fix(\$/oz)	2575.50
Gold London PM Fix(\$/oz)	2574.55
Silver London Fix(\$/oz)	30.68

Bullion Futures DGCX

Description	Contract	LTP
Gold(\$/oz)	OCT24	2571.5
Gold Quanto	OCT 24	73114
Silver(\$/oz)	DEC 24	31.02

Gold Ratio

Description	LTP
Gold Silver Ratio	83.68
Gold Crude Ratio	36.42

Weekly CFTC Positions

	Long	Short	Net
Gold(\$/oz)	246214	19505	226709
Silver	40694	13604	27090

MCX Indices

Index	Close	Net Change	% Chg
MCX iCOMDEX Bullion	18461.10	-81.40	-0.44 %

Macro-Economic Indicators

Time	Country	Event	Forecast	Previous	Impact
18 th September 06:00 PM	United States	Building Permits	1.41M	1.40M	Medium
18 th September 06:00 PM	United States	Housing Starts	1.31M	1.24M	Low
18 th September 11:30 PM	United States	Federal Funds Rate	5.25%	5.50%	High
18 th September 11:30 PM	United States	FOMC Economic Projections	-	-	High
18 th September 11:30 PM	United States	FOMC Statement	-	-	High
19 th September 12:00 AM	United States	FOMC Press Conference	-	-	High

Nirmal Bang Securities - Daily Bullion News and Summary

❖ Gold eased from a record high as traders digested data that showed US consumers are holding up while awaiting the Federal Reserve's much-anticipated pivot to lower interest rates. US retail sales unexpectedly rose in August, supported by online purchases that masked more mixed results at other merchants. Treasury yields and the dollar pushed higher before paring some of the gains, with bullion reacting in response by trading lower on the day. Traders across the financial markets have been debating for months over how deep the US central bank is going to reduce rates from a four-year low amid a slew of economic readings and remarks from policymakers. They have most recently piled into bets on a larger move as speculation mounted over the Fed's decision. After the retail sales print, swap traders continued to assign a higher probability of a 50-basis-point rate reduction at the US central bank's meeting concluding Wednesday. Lower borrowing costs tend to benefit gold, which doesn't pay interest. Gold has rallied about 25% this year, setting successive records, as the Fed moves closer to cutting rates. Prices have also been supported by central-bank buying and strong haven demand due to heightened geopolitical tension, while interest from retail investors is picking up.

❖ Exchange-traded funds cut 40,746 troy ounces of gold from their holdings in the last trading session, bringing this year's net sales to 2.34 million ounces, according to data compiled by Bloomberg. The sales were equivalent to \$105.2 million at yesterday's spot price. Total gold held by ETFs fell 2.7 percent this year to 83.2 million ounces. Gold advanced 25 percent this year to \$2,582.45 an ounce and by 0.2 percent in the latest session. State Street's SPDR Gold Shares, the biggest precious-metals ETF, pared its holdings by 8,900 ounces in the last session. The fund's total of 28 million ounces has a market value of \$72.3 billion. ETFs added 1.01 million troy ounces of silver to their holdings in the last trading session, bringing this year's net purchases to 19.9 million ounces.

❖ Gold may face a minor, near-term setback if the Federal Reserve opts for just a 25-basis-point cut this week, but the metal will subsequently rally to a record aided by rising flows into bullion-backed exchange-traded funds, according to Goldman Sachs Group Inc. "Fed rate cuts are poised to bring Western capital back into gold ETFs, a component largely absent of the sharp gold rally observed in the last two years," analysts Lina Thomas and Daan Struyven said in a note, reiterating the bank's forecast for surge to \$2,700 an ounce by early next year. The precious metal has been one of the strongest performing major commodities this year, surging by about a quarter and hitting successive records as central banks boost purchases and traders look ahead of the Fed's pivot to monetary easing. Investors remain divided about whether the US central bank will kick off its easing cycle this week with a half-point reduction or — as Goldman Sachs expects — a more modest 25-basis-point cut. "While we see some tactical downside to gold prices under our economists' base case of a 25-basis-point Fed cut on Wednesday, we expect a gradual boost to ETF holdings — and thus gold prices — from the Fed's easing cycle," the analysts said. "Since ETF holdings only increase gradually as the Fed cuts, this upside is not yet fully priced in," they added. Global holdings in bullion-backed ETFs have rebounded in recent months after sinking in mid-May to the lowest since 2019, according to a Bloomberg tally. Despite gold's sustained surge, they remain lower year-to-date, and about 25% below the peak set during the pandemic in 2020. As ETFs are backed by bullion, inflows "reduce the physical supply of gold available to the market," the analysts said. Spot gold was last little-changed near \$2,585 an ounce. Silver — which can track moves in the more expensive precious metal — gained toward \$31 an ounce, rising for a seventh day and on course for the longest run of gains since 2019.

❖ India's trade deficit widened unexpectedly in August as a weakness in global demand slowed exports, while imports, particularly of gold, climbed ahead of the festive season. The gap between exports and imports stood at \$29.65 billion in August, Trade Ministry data showed Tuesday. That compares with a \$22.8 billion deficit forecast by economists in a Bloomberg survey and a reading of \$23.5 billion in July. Imports grew 3.3% from a year earlier to \$64.36 billion in August, while exports fell 9.3% to \$34.71 billion during the month. Inbound shipments were \$57.48 billion in July, while outbound shipments stood at \$33.98 billion. "Exports is a huge challenge in the current global situation," Commerce Secretary Sunil Barthwal told reporters in New Delhi. India is the fastest-growing major economy in the world and is expected to expand more than 7% in the year through March 2025. Demand for consumer products usually picks up ahead of the festive season, which started this month and will last until November. A rise in gold imports comes after the government slashed the duty on the metal to 6% from 15% in July. Gold imports stood at \$10.06 billion in August, compared with \$3.13 billion the previous month, while crude oil imports stood at \$11.01 billion from \$13.8 billion in July, the data showed. The widening merchandise trade deficit in August was "unexpectedly sharp," and will put pressure on the current account deficit in the July-September quarter, said Aditi Nayar, chief economist at ICRA Ltd.

Fundamental Outlook: Gold and silver prices are trading mix today on the international bourses. We expect gold and silver prices to trade range-bound to slightly lower for the day, as gold prices edged higher — after slipping from a record high on Monday — ahead of the Federal Reserve's long-awaited pivot to lower borrowing costs.

Key Market Levels for the Day

Bullion	Month	S3	S2	S1	R1	R2	R3
Gold – COMEX	December	2535	2546	2557	2584	2599	2615
Silver – COMEX	December	29.86	30.05	30.28	30.64	30.82	30.99
Gold – MCX	October	72500	72800	73000	73300	73550	73800
Silver – MCX	December	88800	88450	88300	89550	90000	90300

Nirmal Bang Securities - Daily Currency Market Update

Dollar Index

LTP/Close	Change	% Change
100.89	0.13	0.13

Bond Yield

10 YR Bonds	LTP	Change
United States	3.6456	0.0280
Europe	2.1420	0.0210
Japan	0.8290	-0.0190
India	6.7810	0.0200

Emerging Market Currency

Currency	LTP	Change
Brazil Real	5.4833	-0.0278
South Korea Won	1333.55	-8.4500
Russia Rubble	91.5717	0.1967
Chinese Yuan	7.0972	-0.0202
Vietnam Dong	24635	92.0000
Mexican Peso	19.1012	-0.1273

NSE Currency Market Watch

Currency	LTP	Change
NDF	83.89	-0.0200
USDINR	83.81	-0.1150
JPYINR	59.5575	-0.4425
GBPINR	110.635	-0.0875
EURINR	93.285	0.0300
USDJPY	140.46	0.5700
GBPUSD	1.3192	-0.0011
EURUSD	1.113	0.0005

Market Summary and News

❖ The dollar edged higher for the first session in five after US retail sales in August unexpectedly rose — but bond traders favor a half-point cut from the Federal Reserve Wednesday. The yen led Group-of-10 losses against the dollar. Bloomberg Dollar Spot Index gains 0.1%, breaking four days of losses. Headline US retail sales in August grew 0.1%; a -0.2% figure was expected. Swaps markets are now pricing in a roughly 55% chance that the Fed will cut by 50bp. Policy-sensitive two-year Treasury yield rises 3.7bp to 3.59%. BBDXY one-month risk reversals remain bearish; yesterday were most negative in three weeks (Aug. 27). Yen leads losses among G-10; USD/JPY rallies nearly 1% to 142.00 session high, biggest advance in more than a week. “We see reasons for another wave of carry unwinds supporting the JPY,” write TD strategists including Jayati Bharadwaj Tuesday in a note. “(1) The build-up of cheap structural JPY funding is still massive and could involve more unwinding of illiquid assets, and 2) leveraged positions may have been rebuilt after US equities recovered most of their losses in early August.” The Bank of Japan will leave its benchmark rate at 0.25% when its two-day meeting ends Friday, according to all 53 economists in a Bloomberg survey. Canada reported softer-than-expected yearly CPI; USD/CAD up 0.1% to 1.3595. Canada rates also reverse gains, pressured later in NY session. EUR/USD loses momentum, falls 0.1% to 1.1121; earlier, eyed Sept. 6 high at 1.1155.

❖ Emerging-market currencies crept up as bond traders leaned towards bets that the Federal Reserve will commence its interest-rate cutting cycle with a more aggressive 50-basis-point cut. An index that tracks developing- nation currencies ended the day 0.06% higher; US treasury yields and the Bloomberg dollar index also advanced. Malaysia’s ringgit, Peru’s sol, and Colombia’s peso were among the best performers of the day. Mexico’s peso reversed its losses and gained 0.44%; earlier the currency slipped as traders took profits following a rally last week and expressed some pessimism over President Andres Manuel Lopez Obrador’s controversial judicial reform. Currencies from Turkey and Chile were some of the day’s worst performers; Chile’s peso weakened as copper prices wavered while Turkey’s lira slid as expectations mount that Turkey’s central bank will be slow to cut interest rates. Market-implied odds suggest a 55% probability that the Fed will deliver a 50-basis-point cut after retail sales unexpectedly rose in August, signaling resilient US consumer demand; the data failed to settle traders’ speculation over the magnitude of the central bank’s decision. An index for EM stocks advanced 0.41%, led higher by Tencent Holdings Ltd., Alibaba Group Holding Ltd. and China Construction Bank Corp. Egypt’s dollar bonds rallied after Cairo said Saudi Arabia’s sovereign wealth fund is poised to invest \$5 billion.

❖ Across Central Europe, deadly floods unleashed destruction, with water levels on the River Danube rising further. Argentine brokerage Max Capital SA, returned the nearly \$10 million in profit it made from participating in Argentina’s record peso debt swap. Brazil Central Banker Gabriel Galipolo has upended the outlook for monetary policy with his transformation into a anti-inflation crusader. Brazil will raise interest rates less than traders expect as the Federal Reserve’s easing cycle provides a ‘Goldilocks’ scenario for risk assets, JPMorgan says. InterCement Participacoes SA, a distressed Brazilian cement maker, reached an agreement with some of its creditors to begin an out-of-court restructuring. JPMorgan, Van Eck and Vontobel are betting that the billions of dollars pulled from emerging markets will start coming back as US borrowing costs drop. Thailand’s cabinet approved a cash handout plan totaling 145.6 billion baht (\$4.4 billion) that will help stimulate Southeast Asia’s second-largest economy. Shares of Chinese appliance maker Midea Group Co. rose in their Hong Kong debut after the city’s biggest listing in three years saw robust demand. Thailand plans to raise government borrowing by about 8% in the fiscal year starting in October to aid economic growth. South Korea expects the country’s bonds to be included in a key global debt index next month even as some major banks say it’s unlikely to happen this time around. Israeli Prime Minister Benjamin Netanyahu is in talks about adding an opposition lawmaker to his cabinet.

Key Market Levels for the Day

	S3	S2	S1	R1	R2	R3
USDINR SPOT	83.5850	83.6425	83.7075	83.8025	83.8525	83.9050

Nirmal Bang Securities - Bullion Technical Market Update

Gold Market Update



Market View	
Open	73298
High	73598
Low	72938
Close	73094
Value Change	-402
% Change	-0.55
Spread Near-Next	665
Volume (Lots)	6271
Open Interest	13717
Change in OI (%)	-7.59%

Gold - Outlook for the Day

SELL GOLD OCT (MCX) AT 73180 SL 73451 TARGET 72906/72740

Silver Market Update



Market View	
Open	89727
High	89918
Low	88877
Close	89140
Value Change	-469
% Change	-0.52
Spread Near-Next	2503
Volume (Lots)	11977
Open Interest	25332
Change in OI (%)	-2.30%

Silver - Outlook for the Day

SELL SILVER DEC (MCX) AT 89280 SL 89651 TARGET 88800/88600

Nirmal Bang Securities - Currency Technical Market Update

USDINR Market Update



Market View	
Open	83.9250
High	83.9250
Low	83.7350
Close	83.8100
Value Change	-0.1150
% Change	-0.1370
Spread Near-Next	-0.4830
Volume (Lots)	180060
Open Interest	2534099
Change in OI (%)	-0.04%

USDINR - Outlook for the Day

The USDINR future witnessed flat opening at 83.92, which was followed by a session where price shows strong selling from higher level with candle enclosure below near low. A long red candle has been formed by the USDINR price where price touches the lowest level of last one month. The pair has given break down from its choppy range. On the daily chart, the MACD showed a negative crossover above zero-line, while the momentum indicator, RSI moving south near 30 levels shows negative indication. We are anticipating that the price of USDINR futures will fluctuate today between 83.70 and 83.88.

Key Market Levels for the Day

	S3	S2	S1	R1	R2	R3
USDINR SEPT	83.6575	83.7050	83.7525	83.8550	83.9075	83.9550

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