

## Daily Bullion Physical Market Report

Date: 18<sup>th</sup> October 2024

### Daily India Spot Market Rates

| Description | Purity | AM    | PM    |
|-------------|--------|-------|-------|
| Gold        | 999    | 76713 | 76810 |
| Gold        | 995    | 76406 | 76502 |
| Gold        | 916    | 70269 | 70358 |
| Gold        | 750    | 57535 | 57608 |
| Gold        | 585    | 44877 | 44934 |
| Silver      | 999    | 90568 | 91600 |

Rate as exclusive of GST as of 17<sup>th</sup> October 2024 Gold is Rs/10 Gm & Silver in Rs/Kg

### Gold and Silver 999 Watch

| Date                          | GOLD* | SILVER* |
|-------------------------------|-------|---------|
| 17 <sup>th</sup> October 2024 | 76810 | 91600   |
| 16 <sup>th</sup> October 2024 | 76553 | 91512   |
| 15 <sup>th</sup> October 2024 | 75930 | 89800   |
| 14 <sup>th</sup> October 2024 | 76001 | 90026   |

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

### COMEX Futures Watch

| Description   | Contract | Close   | Change | %Chg  |
|---------------|----------|---------|--------|-------|
| Gold(\$/oz)   | DEC 24   | 2707.50 | 16.20  | 0.60  |
| Silver(\$/oz) | DEC 24   | 31.77   | -0.20  | -0.63 |

### ETF Holdings as on Previous Close

| ETFs           | In Tonnes | Net Change |
|----------------|-----------|------------|
| SPDR Gold      | 884.59    | 0.00       |
| iShares Silver | 14,727.00 | 106.36     |

### Gold and Silver Fix

| Description               | LTP     |
|---------------------------|---------|
| Gold London AM Fix(\$/oz) | 2678.45 |
| Gold London PM Fix(\$/oz) | 2688.85 |
| Silver London Fix(\$/oz)  | 31.81   |

### Bullion Futures DGCX

| Description   | Contract | LTP    |
|---------------|----------|--------|
| Gold(\$/oz)   | DEC 24   | 2707.2 |
| Gold Quanto   | DEC 24   | 77127  |
| Silver(\$/oz) | DEC 24   | 31.88  |

### Gold Ratio

| Description       | LTP   |
|-------------------|-------|
| Gold Silver Ratio | 85.21 |
| Gold Crude Ratio  | 38.31 |

### 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 | 19063.95 | 57.60      | 0.30 % |

### Macro-Economic Indicators

| Time                              | Country       | Event                     | Forecast | Previous | Impact |
|-----------------------------------|---------------|---------------------------|----------|----------|--------|
| 18 <sup>th</sup> October 06:00 PM | United States | Building Permits          | 1.45M    | 1.48M    | Medium |
| 18 <sup>th</sup> October 06:00 PM | United States | Housing Starts            | 1.35M    | 1.36M    | Low    |
| 18 <sup>th</sup> October 06:00 PM | United States | FOMC Member Waller Speaks | -        | -        | Medium |

## Nirmal Bang Securities - Daily Bullion News and Summary

Gold climbed to a fresh record on Thursday amid ongoing tensions in the Middle East as traders also weighed US data that kept alive bets on the Federal Reserve's interest-rate cuts. Bullion touched an all-time high of \$2,696.78 as Israel said it killed Hamas leader Yahya Sinwar, the architect of the Palestinian group's attack on southern Israel that triggered a year-long war in Gaza. Investors typically seek safety in the precious metal in times of geopolitical and economic uncertainty. Earlier Thursday, data showed US retail sales strengthened in September by more than forecast in a broad advance. US jobless claims unexpectedly fell after jumping the previous week in Southeastern states affected by Hurricane Helene, according to the latest US Labor Department report. The US economic readings added to a slew of mixed US economic readings recently, reinforcing gold traders' expectations that the Fed will continue its rate-cutting path for the rest of the year. Gold is 1.4% higher this week, with investors repositioning portfolios ahead of the US election on Nov. 5. With both candidates posing different risks to the economy, gold likely will see further support — no matter whether Donald Trump or Vice President Kamala Harris wins. Bullion — up more than 30% this year — is one of the strongest performing commodities. Rate-cut optimism fueled the most recent gains as the Fed kicked off its easing cycle last month. Strong central bank purchases have also supported gold.

Gold exports from Europe's key refining hub fell to 81.1 tons in September, from 88.3 tons in August, after shipments to India slumped, according to data on the website of the Swiss Federal Customs Administration. Shipments to China climbed to 12.8 tons from zero in August. Sales to India fell 88% to 5.6 tons. Sales to Hong Kong jumped to 6.6 tons. Sales to UK almost doubled to 20.1 tons. Sales to Turkey rose 32% to 6.1 tons. Sales to US soared to 6.4 tons. Swiss gold imports rose 4.5% to 157.2 tons.

Gold is likely to stay well-supported over the next couple of weeks, but it may only break free in the first fortnight of November. That period sees with the US presidential election and the next reading of the US inflation that may spur a recalibration of interest-rate cuts priced in for the Federal Reserve. As Jake Lloyd-Smith says, bullion has just hit a new record. But Fed fund futures are now pricing less than three 25-basis point cuts from the Fed through January after US inflation surprised to the upside for September, compared with more than 100 basis points they had factored in around gold's previous peak last month. That will hold the metal back for now. Indeed, gold's current level is roughly consistent with a Fed funds rate of 4.125%, which is where the market sees the benchmark in approximately three months. The inflation reading for October isn't due before the middle of next month, but there are other catalysts that may ensure that gold is well-supported around current levels in the interim. India's peak festive season is about a fortnight away, keeping bullion demand buoyant. Gold may also dominate trading as the US presidential election draws closer. Gold was seen as an extraordinarily favorable haven should Donald Trump return as president, according to a survey. The World Gold Council, though, posits that bullion doesn't respond to the "party affiliation of an elected president, but, more likely, to the expected effect of specific policies." All the above factors mean that gold is likely to tread water in the remainder of October, followed by a fortnight of frantic trading that will see the release of non-farm payrolls, an election, a Fed meeting and another snapshot of inflation.

Gold just notched a record as investors embrace its many charms, which run from the supportive narrative inspired by the Federal Reserve cutting interest rates, to pre-US election portfolio positioning, and continued central-bank buying. Crucially, ETF holdings have been swelling, as noted in an earlier post. That short entry didn't touch on tensions in the Middle East, which have also been a spur for demand. Israel has yet to make its counterstrike against Iran in retaliation for Tehran's recent missile barrage. An attack will still likely come, at some stage, resulting in a knee-jerk spike for bullion. The scope of the assault, and Iran's response, will determine whether that uplift lasts. All in, this goes to show that gold is no one-trick pony whose fortunes turn on a single process. Rather, the commodity has been able to lean on a number of distinct drivers that operate simultaneously, and that's likely to be a feature of 4Q. In such an environment, it's a very tough ask to be short.

The European Central Bank lowered interest rates for the third time this year as a hastier retreat in inflation allows it to offer support to the region's stuttering economy. The key deposit rate was cut by a quarter-point to 3.25% — as predicted by all analysts in a Bloomberg survey. The ECB said the process of taming prices should be complete "in the course of next year" — tweaking its previous language for that landmark to only be reached in the second half of 2025. Officials, however, didn't specify when or how quickly borrowing costs will be reduced from here. "The incoming information on inflation shows that the disinflationary process is well on track," the ECB said in its statement. The Governing Council "will keep policy rates sufficiently restrictive for as long as necessary." Inflation should then decline towards our target over the second half of next year. Inflation is expected to rise in the coming months, before declining to target in the course of next year. Thursday's move quickens the pace at which officials are removing the shackles on the euro-zone economy, whose early-year promise has petered out. While looking unlikely just five weeks ago, it follows a slump in inflation to below 2% for the first time since 2021, alongside softer private-sector activity and cracks in the so-far resilient jobs market. While ECB President Christine Lagarde reiterated that risks to growth remain tilted to the downside, she said a recession isn't likely. "We are still looking at that soft landing," she said in Brdo, Slovenia, where officials have gathered for the one policy meeting of the year that they hold outside of their Frankfurt headquarters. "Lower confidence could prevent consumption and investment from recovering as fast as expected."

**Fundamental Outlook:** Gold and silver prices are trading higher today on the international bourses. We expect gold and silver prices to trade range-bound to higher for the day; as gold prices topped \$2,700 an ounce for the first time, as concerns over escalating conflicts in the Middle East saw investors flock to safety.

### Key Market Levels for the Day

| Bullion        | Month    | S3    | S2    | S1    | R1    | R2    | R3    |
|----------------|----------|-------|-------|-------|-------|-------|-------|
| Gold – COMEX   | December | 2670  | 2700  | 2720  | 2740  | 2760  | 2785  |
| Silver – COMEX | December | 31.70 | 32.00 | 32.20 | 32.35 | 32.50 | 32.80 |
| Gold – MCX     | December | 76850 | 77100 | 77350 | 77500 | 77800 | 78000 |
| Silver – MCX   | December | 90700 | 91300 | 92000 | 92500 | 93200 | 93800 |

## Nirmal Bang Securities - Daily Currency Market Update

### Dollar Index

| LTP/Close | Change | % Change |
|-----------|--------|----------|
| 103.83    | 0.23   | 0.23     |

### Bond Yield

| 10 YR Bonds   | LTP    | Change |
|---------------|--------|--------|
| United States | 4.0906 | 0.0784 |
| Europe        | 2.2080 | 0.0250 |
| Japan         | 0.9690 | 0.0110 |
| India         | 6.7820 | 0.0080 |

### Emerging Market Currency

| Currency        | LTP     | Change   |
|-----------------|---------|----------|
| Brazil Real     | 5.6549  | -0.0094  |
| South Korea Won | 1372.5  | 7.9500   |
| Russia Rubble   | 97.3688 | -0.1335  |
| Chinese Yuan    | 7.1229  | 0.0033   |
| Vietnam Dong    | 25177   | 193.0000 |
| Mexican Peso    | 19.8419 | -0.0438  |

### NSE Currency Market Watch

| Currency | LTP      | Change  |
|----------|----------|---------|
| NDF      | 84.18    | 0.0000  |
| USDINR   | 84.0875  | 0.0375  |
| JPYINR   | 56.3575  | -0.0325 |
| GBPINR   | 109.3275 | -0.0450 |
| EURINR   | 91.3825  | -0.2375 |
| USDJPY   | 149.37   | 0.2900  |
| GBPUSD   | 1.3042   | 0.0028  |
| EURUSD   | 1.0875   | -0.0022 |

### Market Summary and News

□ India's bond traders will watch the sale of 330 billion rupees (\$3.9 billion) of government debt on Friday to gauge demand for the notes. The Reserve Bank of India is also due to hold a 13-day variable rate reverse repo auction for INR1t on Friday. USD/INR rose 0.1% to 84.07 on Thursday. Implied opening from forwards suggests spot may start trading around 84.06. "USD/INR is expected to remain range-bound," Gaura Sen Gupta, chief economist at IDFC FIRST Bank, writes in a note. RBI sold dollars in October to limit depreciation pressure on INR. In the current month until Oct. 11, RBI sold a net \$3.5 billion worth of dollars. "The rise in BoP surplus is led by India's inclusion into JPMorgan EM Bond index, which has supported foreign portfolio investment inflows into debt." "RBI intervention will continue to focus on limiting two-way USD/INR volatility and is likely to absorb" bond index inflows. 10-year yields little changed at 6.78% on Thursday. Global funds sold net 74.2b rupees of Indian stocks Oct. 17: NSE. They sold 3.12 billion rupees of sovereign bonds under limits available to foreign investors, and added 690 million rupees of corporate debt. State-run banks bought 15.8 billion rupees of sovereign bonds on Oct. 17: CCIL data. Foreign banks sold 21.9 billion rupees of bonds.

□ A Bloomberg gauge of the dollar rose after strong US consumer spending and labor data led traders to dial back bets on interest-rate cuts from the Federal Reserve. The euro slid as European Central Bank officials flagged growth risks in lowering borrowing costs Thursday. Bloomberg Dollar Spot Index up 0.1%, set for fourth day of gains. US retail sales in Sept. rose by more than forecast across metrics; initial jobless claims unexpectedly declined. Swaps market now signals some 59bp of Fed easing by end of January, compared to 64bp Wednesday. EUR/USD falls to 1.0811 session low as ECB cuts interest rates for a third time this year; key deposit rate now stands at 3.25%. Swaps traders ramped up bets that ECB officials will ease by a half-point in December after decision and comments on European growth outlook. "We are still looking at that soft landing," said President Christine Lagarde. "Lower confidence could prevent consumption and investment from recovering as fast as expected." "Whether or not the ECB steps up the pace in December, we stick to our view that policy rates will be cut more significantly than markets currently price next year, to a trough of 1.5%," wrote ABN AMRO strategists in a note. Yen weakens past pivotal 150 level after US data boosts greenback; USD/JPY rises to 150.30 session high, highest since Aug. 1 and leads G-10 losses. "It's hard to stop the move in USD/JPY to 152 that we're looking for," said Jordan Rochester, head of macro strategy in EMEA for Mizuho, citing among other factors the low likelihood of action from Bank of Japan in October and strong US data. USD/CAD reverses Wednesday's drop to rise 0.3% to 1.3795. Aussie dollar outperforms after Australia unemployment rate held steady and traders push back expectations of RBA rate cuts next year. AUD/USD rises 0.4% to 0.6695.

□ A gauge of emerging-market currencies edged lower at close after trimming earlier losses during a choppy session that followed stronger-than-expected retail sales growth in the US. Currencies from Mexico, Colombia and Brazil rebounded toward the end of the day but a broader index still posted its fourth day of losses. The Chilean peso plunged 1.1% to trade at the weakest in five weeks; later Thursday Chile's central bank is expected to cut interest rates by a quarter of a percentage point. US retail sales strengthened in September by more than forecast, illustrating resilient consumer spending that continues to power the economy. That cast doubts over the Federal Reserve's interest-rate cut paths, with traders paring bets for reductions this year and US yields rising. The Israeli shekel jumped to a session high after the Israel Defense Forces said Hamas's chief Yahya Sinwar was killed in operations in Gaza. The Turkish lira was higher; the central bank extended its interest-rate pause for a seventh month. Policymakers adopted a more hardline stance on the course of inflation, pushing back expectations for a rate cut into next year. The forint rose versus the euro after central bank Deputy Governor Barnabas Virag said policymakers are ready to pause interest-rate cuts for a "sustained period" if the inflation outlook and global markets require it, Deputy Governor Barnabas Virag said. Egypt kept interest rates at a record high as it contends with an unexpected climb in inflation and fears of a wider conflict in the Middle East.

### Key Market Levels for the Day

|             | S3      | S2      | S1      | R1      | R2      | R3      |
|-------------|---------|---------|---------|---------|---------|---------|
| USDINR SPOT | 83.9150 | 83.9425 | 83.9775 | 84.0325 | 84.0725 | 84.1075 |

## Nirmal Bang Securities - Bullion Technical Market Update

### Gold Market Update



| Market View      |       |
|------------------|-------|
| Open             | 76861 |
| High             | 77210 |
| Low              | 76620 |
| Close            | 77107 |
| Value Change     | 443   |
| % Change         | 0.58  |
| Spread Near-Next | 500   |
| Volume (Lots)    | 6230  |
| Open Interest    | 15696 |
| Change in OI (%) | 4.64% |

TradingView

### Gold - Outlook for the Day

**BUY GOLD DEC (MCX) AT 77100 SL 76850 TARGET 77500/77800**

### Silver Market Update



| Market View      |       |
|------------------|-------|
| Open             | 91837 |
| High             | 92761 |
| Low              | 91031 |
| Close            | 91744 |
| Value Change     | -439  |
| % Change         | -0.48 |
| Spread Near-Next | 2384  |
| Volume (Lots)    | 23508 |
| Open Interest    | 26296 |
| Change in OI (%) | 1.06% |

TradingView

### Silver - Outlook for the Day

**BUY SILVER DEC (MCX) AT 92000 SL 91300 TARGET 93000/93500**

**Nirmal Bang Securities - Currency Technical Market Update**

**USDINR Market Update**



| Market View      |         |
|------------------|---------|
| Open             | 84.0400 |
| High             | 84.1025 |
| Low              | 84.0225 |
| Close            | 84.0875 |
| Value Change     | 0.0375  |
| % Change         | 0.0446  |
| Spread Near-Next | -0.7605 |
| Volume (Lots)    | 305281  |
| Open Interest    | 2891424 |
| Change in OI (%) | -5.19%  |

**USDINR - Outlook for the Day**

The USDINR future witnessed flat opening at 84.09, which was followed by a session where price shows selling from high level with candle enclosure near low. A red candle has been formed by the USDINR price having support of 20-days moving average placed at 83.94 level. On the daily chart, the MACD showed a positive crossover below zero-line, while the momentum indicator, RSI trailing between 52-56 levels shows positive indication. We are anticipating that the price of USDINR futures will fluctuate today between 83.95 and 84.05.

**Key Market Levels for the Day**

|            | S3      | S2      | S1      | R1      | R2      | R3      |
|------------|---------|---------|---------|---------|---------|---------|
| USDINR OCT | 83.9075 | 83.9450 | 83.9925 | 84.0650 | 84.1075 | 84.1450 |

## Nirmal Bang Securities – Commodity Research Team

| Name                       | Designation            | Email  |
|----------------------------|------------------------|--|
| <b>Kunal Shah</b>          | Head of Research       | <a href="mailto:kunal.shah@nirmalbang.com">kunal.shah@nirmalbang.com</a>                   |
| <b>Devidas Rajadhikary</b> | AVP Commodity Research | <a href="mailto:devidas.rajadhikary@nirmalbang.com">devidas.rajadhikary@nirmalbang.com</a> |
| <b>Harshal Mehta</b>       | AVP Commodity Research | <a href="mailto:harshal.mehta@nirmalbang.com">harshal.mehta@nirmalbang.com</a>             |
| <b>Ravi D'souza</b>        | Sr. Research Analyst   | <a href="mailto:ravi.dsouza@nirmalbang.com">ravi.dsouza@nirmalbang.com</a>                 |
| <b>Jayati Mukherjee</b>    | Sr. Research Analyst   | <a href="mailto:Jayati.mukherjee@nirmalbang.com">Jayati.mukherjee@nirmalbang.com</a>       |
| <b>Smit Bhayani</b>        | Research Analyst       | <a href="mailto:smit.bhayani@nirmalbang.com">smit.bhayani@nirmalbang.com</a>               |
| <b>Utkarsh Dubey</b>       | Research Associate     | <a href="mailto:Utkarsh.dubey@nirmalbang.com">Utkarsh.dubey@nirmalbang.com</a>             |

This Document has been prepared by Nirmal Bang Securities Pvt. Ltd. The information, analysis and estimates contained herein are based on Nirmal Bang Securities Research assessment and have been obtained from sources believed to be reliable. This document is meant for the use of the intended recipient only. This document, at best, represents Nirmal Bang Securities Research opinion and is meant for general information only. Nirmal Bang Securities Research, its directors, officers or employees shall not in any way be responsible for the contents stated herein. Nirmal Bang Securities Research expressly disclaims any and all liabilities that may arise from information, errors or omissions in this connection. This document is not to be considered as an offer to sell or a solicitation to buy any securities. Nirmal Bang Securities Research, its affiliates and their employees may from time to time hold positions in securities referred to herein. Nirmal Bang Securities Research or its affiliates may from time to time solicit from or perform investment banking or other services for any company mentioned in this document.