

## Daily Bullion Physical Market Report

Date: 19<sup>th</sup> September 2024

### Daily India Spot Market Rates

Description	Purity	AM	PM
Gold	999	73054	73257
Gold	995	72761	72964
Gold	916	66918	67103
Gold	750	54791	54943
Gold	585	42737	42855
Silver	999	87168	87406

Rate as exclusive of GST as of 18<sup>th</sup> September 2024 Gold is Rs/10 Gm & Silver in Rs/Kg

### Gold and Silver 999 Watch

Date	GOLD*	SILVER*
18 <sup>th</sup> September 2024	73257	87406
17 <sup>th</sup> September 2024	73276	87537
16 <sup>th</sup> September 2024	73489	88314
13 <sup>th</sup> September 2024	73044	86100

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

### COMEX Futures Watch

Description	Contract	Close	Change	%Chg
Gold(\$/oz)	DEC 24	2598.60	6.20	0.24
Silver(\$/oz)	DEC 24	30.69	-0.29	-0.94

### ETF Holdings as on Previous Close

ETFs	In Tonnes	Net Change
SPDR Gold	872.23	0.00
iShares Silver	14,341.18	-48.24

### Gold and Silver Fix

Description	LTP
Gold London AM Fix(\$/oz)	2568.35
Gold London PM Fix(\$/oz)	2570.10
Silver London Fix(\$/oz)	30.59

### Bullion Futures DGCX

Description	Contract	LTP
Gold(\$/oz)	OCT24	2551.9
Gold Quanto	OCT 24	73075
Silver(\$/oz)	DEC 24	30.11

### Gold Ratio

Description	LTP
Gold Silver Ratio	84.68
Gold Crude Ratio	36.65

### 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	18361.33	-61.75	-0.34 %

### Macro-Economic Indicators

Time	Country	Event	Forecast	Previous	Impact
19 <sup>th</sup> September 04:30 PM	Britain	Monetary Policy Summary	-	-	High
19 <sup>th</sup> September 04:30 PM	Britain	Official Bank Rate	5.00%	5.00%	High
19 <sup>th</sup> September 06:00 PM	United States	Unemployment Claims	230K	230K	High
19 <sup>th</sup> September 06:00 PM	United States	Philly Fed Manufacturing Index	-0.8	-7.0	Medium
19 <sup>th</sup> September 06:00 PM	United States	Current Account	-259B	-238B	Low
19 <sup>th</sup> September 07:30 PM	United States	Existing Home Sales	3.90M	3.95M	Medium
19 <sup>th</sup> September 07:30 PM	United States	CB Leading Index m/m	-0.3%	-0.6%	Low

## Nirmal Bang Securities - Daily Bullion News and Summary

□ Gold pulled back on Wednesday night from a record high after Federal Reserve Chairman Jerome Powell signaled policymakers aren't in a rush to aggressively lower interest rates following Wednesday's half percentage point cut by the US central bank. Gold, which tends to benefit from lower rates, rose as much as 1.2% to \$2,600.16 an ounce before erasing gains after Powell said no one should see this as a "new pace" at his press conference. Projections released after the Fed's two-day gathering showed a narrow majority — 10 of 19 officials — favored lowering rates by at least an additional half-point over the central bank's two remaining meetings this year. Policymakers indicated in their Wednesday statement that they now see the risks to employment and inflation as "roughly balanced." The Fed chief also said the economy is "basically fine" and expressed confidence that the job market can avoid the rise in unemployment seen in some past fights against inflation. Gold prices have broken out dramatically this year, soaring more than 24% to successive records. While the rally at the start of 2024 was underpinned by emerging market demand — particularly from central banks and Asian consumers and investors — the focus in recent months has shifted squarely to the Fed, and the outlook for the US economy. Gold, Treasuries and the S&P 500 Index have all typically risen as the Fed starts lowering rates, according to a Bloomberg News analysis of the past six easing cycles going back to 1989.

□ Gold is well-placed to extend gains into the year-end and early 2025 — potentially even making a challenge of the \$3,000/oz level — with the Federal Reserve's freshly-minted easing cycle underpinning the precious metal's ascent. Sure, there will be much hand-wringing in Thursday's session about whether the follow-on rate cuts at the two remaining FOMCs of 2024 will be 50 bps or, as Jerome Powell hinted, 25bps. But what matters for bullion is that US borrowing costs are now on a downward arc. That'll draw more funds into gold-backed ETFs, aiding prices, as the US dollar softens and real yields head further south. This playbook may be well-thumbed, but it stands to deliver. Remember too that while the Fed's long-awaited pivot — and its decision to kick things off with an upsized cut — is a plus for gold, it's not the only tailwind. Central banks have been hefty accumulators of the metal, and that trend should continue in the quarters ahead. Geopolitical tensions also remain elevated, especially in the Middle East, which may spur haven flows.

□ Gold-rich Sudan discussed boosting cooperation in the mining sector with Russia, as Moscow strengthens ties with the North African nation's military-led government amid a 17-month civil war. A meeting between Sudanese mining officials and Russia's ambassador and representatives of its chamber of commerce in the Red Sea city of Port Sudan touched on ways to expand investment opportunities, Sudan's minerals ministry said in a statement. The encounter is the latest sign of Russia's deepening relations with Sudan's army, which is battling the rival Rapid Support Forces paramilitary group in a conflict the US estimates may have killed as many as 150,000 people. A Sudanese army official in May suggested his side might get weapons in exchange for letting the Kremlin establish a logistical support center on its coast, although no formal deal has been signed. Russian-controlled mercenaries from the Wagner Group had previously been accused by the US of delivering surface-to-air missiles to the RSF. Russian support for the RSF was likely to protect the country's interests in Sudanese gold, according to the Washington-based Institute for the Study of War. US President Joe Biden on Tuesday urged Sudan's warring sides to halt attacks that are harming civilians, allow unhindered humanitarian access and restart talks to end the conflict.

□ The European Central Bank has made good progress in bringing inflation down, but needs patience to fully reach the 2% target, Governing Council member Joachim Nagel said. "We must now show staying power," the Bundesbank president said Wednesday. "If we can do that, then we'll soon make it to the finish line on our run." Speaking at a Commerzbank event in Frankfurt, he said the future path for interest rates is open, but that borrowing costs "will certainly not go down as quickly and sharply as they went up." The ECB last week lowered its deposit rate for the second time since June with inflation receding toward 2% and concerns about the economy growing. It remained tight-lipped, though, on the pace and extent of further easing. Since then, several Governing Council members including President Christine Lagarde have signaled that another cut is more likely in December than at next month's meeting, without completely ruling out the latter — in line with bets by money markets. Nagel said the disinflation process is "tenacious," also because wage growth only eases slowly. Price pressures in the services sector also remain "alarming high." The outlook for the euro-area economy is uncertain, he said — not least due to US elections in November. On further rate cuts, he said that "depending on incoming data, the time intervals between potential steps may vary." The ECB's stance "must remain sufficiently tight for long enough." ECB projections are based on corresponding assumptions, he said. Earlier Wednesday, France's Francois Villeroy de Galhau said the ECB should continue to lower rates as inflation is set to return durably to 2% next year.

□ The Federal Reserve's bold start to cutting interest rates and its determination not to fall behind the curve in easing has reshaped the policy horizon for counterparts spanning the globe. In Europe and most other developed nations — where officials tend to insist that decisions in Washington don't affect their own policy trajectory — comfort might be taken in Fed Chair Jerome Powell's declaration Wednesday that the US economy remains in good shape. In emerging markets, the Fed's half percentage point cut offers reduced pressure on exchange rates that have felt the impact of the highest US borrowing costs in decades. That offers space to recalibrate their own rate settings — as Indonesia did in a surprise cut just ahead of the Fed. Powell and his colleagues faced some risk of spooking the public into perceiving that recession risks were rising by cutting more than most economists anticipated. Instead, he offered reassurance, saying the Fed's patience in not moving until now had paid "dividends" by boosting confidence inflation — which had surged to the highest since the 1980s — has been tamed. Wednesday's move was "a sign of our commitment not to get behind" the curve, he said. Investors initially reacted with confidence, though US stocks closed with modest declines. Emerging-market central banks in countries including those in the Persian Gulf that peg their currencies to the dollar followed suit and also lowered rates by half a point. The Hong Kong Monetary Authority also cut its base rate in line with the Fed's move. Thursday will probably see the Bank of England keeping policy unchanged, while the South African Reserve Bank is expected to lower its rate by a quarter points.

**Fundamental Outlook:** Gold and silver prices are trading slightly lower today on the international bourses. We expect gold and silver prices to trade range-bound to slightly lower for the day, as gold prices are steady following a tumultuous session in which it touched a record high after the Federal Reserve cut interest rates by 50 basis points, before retreating as Chair Jerome Powell signaled policymakers aren't in a rush to ease aggressively.

### Key Market Levels for the Day

Bullion	Month	S3	S2	S1	R1	R2	R3
Gold – COMEX	December	2530	2545	2554	2575	2588	2600
Silver – COMEX	December	29.60	29.80	30.00	30.55	30.78	30.95
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
100.60	-0.30	-0.30

#### Bond Yield

10 YR Bonds	LTP	Change
United States	3.7038	0.0582
Europe	2.1890	0.0470
Japan	0.8290	0.0000
India	6.7810	0.0200

#### Emerging Market Currency

Currency	LTP	Change
Brazil Real	5.461	-0.0223
South Korea Won	1333.55	-8.4500
Russia Rubble	92.7836	1.2119
Chinese Yuan	7.0769	-0.0203
Vietnam Dong	24629	-6.0000
Mexican Peso	19.2868	0.1856

#### 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 pared losses after Chair Jay Powell said the scope of the Federal Reserve's decision to lower benchmark rates by a half percentage point doesn't represent a new pace of moves from the central bank. The Bloomberg Dollar Spot Index fell as much as 0.6% after the FOMC releases its rate decision before paring drop; now down 0.1%. FOMC voted 11 to 1 to cut federal funds target rate range by 50bp to 4.75% to 5% after holding steady for more than a year. "The Committee has gained greater confidence that inflation is moving sustainably toward 2 percent, and judges that the risks to achieving its employment and inflation goals are roughly in balance," statement said. Policy-sensitive two-year yield dropped as much as 6.7bp but is now little changed at 3.60%. "We were unsure if the dollar weakening over the last month was going to turn around or not, but this pretty clearly shows me that we're entering new ranges," said Helen Given, a foreign-exchange trader at Monex Inc. "Powell was surprisingly balanced" during the press conference, said Win Thin, global head of markets strategy at Brown Brothers Harriman. USD/JPY tumbled as much as 1.4% to 140.45 session low, then paring losses to trade 0.2% lower. The Bank of Japan will start a two-day meeting on Thursday. GBP/USD jumped to day's highs after Fed rate cut before ending higher by 0.4% at 1.3214. Earlier, cable met support after data showed UK consumer prices rose 2.2% from a year earlier, the same pace as in July and below the BOE's forecast. Traders pared bets on BOE's own interest-rate cuts after UK services inflation rose to 5.6% in August from 5.2% in July; central bank releases decision Thursday. EUR/USD rallied to 1.1189 sessions high before paring gains.

□ Emerging-market currencies briefly jumped before coming back from their session highs on Wednesday as Fed Chair Jerome Powell said US policymakers are not in a rush to ease following a half-point cut. Powell cautioned against assuming the 50-basis-point move set a pace that policymakers would continue. MSCI's EM currency benchmark index rose 0.05%, after rising as much as 0.26%; meanwhile, the dollar inched higher. Brazil's real, South Africa's rand and the Czech koruna were among the biggest gainers against the greenback. Mexico's peso, sensitive to US risks, trimmed earlier losses against the greenback; earlier, the currency touched a session low. Taiwan's dollar was a laggard, dragged down by foreign outflows from local shares. A companion index for EM stocks closed 0.26% down; gauge led lower by Taiwan. Semiconductor Manufacturing Co Ltd. and Hon Hai Precision Industry Co. Ltd. Investors are also keeping their focus on a series of central bank decisions across the developing world Wednesday. After market close, Brazil's central bank is likely to hike its benchmark rate by 25 basis points. Indonesia's central bank unexpectedly cut its key interest rate for the first time in more than three years. In credit markets, Romania's government mandated banks for a potential sale of Green Samurai bonds.

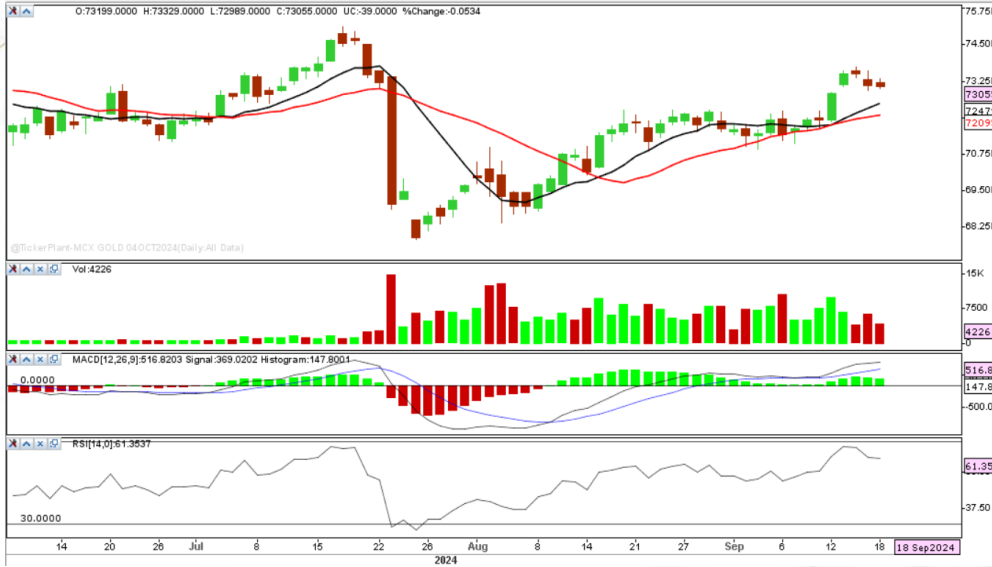
□ Asia's central banks are in for some relief with the Fed's expected easing. The path for the region's own monetary policy, though, will be bumpy from here. Brazil's real and rates trade is winning fans on Wall Street, but faces sharp push back from local hedge funds that have turned negative on interest-rate futures. Colombia's government wants to shake up the central bank whose policies it blames for the weak economy by appointing young economists with "fresh" ideas. Hungary's big bet on electric vehicles is not going to plan with a sharp slowdown in the sales of pricier European EVs and a brewing trade war with China. Mexico's judicial reform is causing rifts in the circles of Mexico's elite, with group chats and social feeds erupting into heated exchanges rarely seen. Point72 Asset Management's Sophia Drossos said that the dollar will slide as the Fed starts lowering borrowing costs and signs of optimism emerge in other parts of the world. Russia's richest woman accused her estranged husband of attempting to seize the Moscow headquarters of the country's biggest e-commerce platform, which she own. South Africa's consumer confidence surged in the third quarter to pre-pandemic levels, driven by increased optimism about personal finances, good for household spending.

#### 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	73199
High	73329
Low	72989
Close	73055
Value Change	-39
% Change	-0.05
Spread Near-Next	652
Volume (Lots)	4226
Open Interest	13276
Change in OI (%)	-3.32%

**Gold - Outlook for the Day**

**SELL GOLD OCT (MCX) AT 72800 SL 72499 TARGET 73100/73400**

**Silver Market Update**



Market View	
Open	88934
High	89220
Low	88122
Close	88299
Value Change	-841
% Change	-0.94
Spread Near-Next	2568
Volume (Lots)	11411
Open Interest	24706
Change in OI (%)	-2.53%

**Silver - Outlook for the Day**

**SELL SILVER DEC (MCX) AT 87800 SL 87349 TARGET 88400/88780**

**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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