

## Daily Bullion Physical Market Report

Date: 21<sup>st</sup> October 2024

### Daily India Spot Market Rates

Description	Purity	AM	PM
Gold	999	77332	77410
Gold	995	77022	77100
Gold	916	70836	70908
Gold	750	57999	58058
Gold	585	45239	45285
Silver	999	91935	92283

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

### Gold and Silver 999 Watch

Date	GOLD*	SILVER*
18 <sup>th</sup> October 2024	77410	92283
17 <sup>th</sup> October 2024	76810	91600
16 <sup>th</sup> October 2024	76553	91512
15 <sup>th</sup> October 2024	75930	89800

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

### COMEX Futures Watch

Description	Contract	Close	Change	%Chg
Gold(\$/oz)	DEC 24	2730.00	22.50	0.83
Silver(\$/oz)	DEC 24	33.23	1.46	4.59

### ETF Holdings as on Previous Close

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

### Gold and Silver Fix

Description	LTP
Gold London AM Fix(\$/oz)	2711.60
Gold London PM Fix(\$/oz)	2712.50
Silver London Fix(\$/oz)	32.13

### Bullion Futures DGCX

Description	Contract	LTP
Gold(\$/oz)	DEC 24	2734.2
Gold Quanto	DEC 24	77769
Silver(\$/oz)	DEC 24	33.88

### Gold Ratio

Description	LTP
Gold Silver Ratio	82.14
Gold Crude Ratio	39.44

### Weekly CFTC Positions

	Long	Short	Net
Gold(\$/oz)	253640	18356	235284
Silver	48058	12526	35532

### MCX Indices

Index	Close	Net Change	% Chg
MCX iCOMDEX Bullion	19118.90	327.67	1.71 %

### Macro-Economic Indicators

Time	Country	Event	Forecast	Previous	Impact
21 <sup>st</sup> October 06:25 PM	United States	FOMC Member Logan Speaks	-	-	Low
21 <sup>st</sup> October 07:30 PM	United States	CB Leading Index m/m	-0.3%	-0.2%	Low
21 <sup>st</sup> October 10:30 PM	United States	FOMC Member Kashkari Speaks	-	-	Low
22 <sup>nd</sup> October 02:35 AM	United States	FOMC Member Schmid Speaks	-	-	Low

## Nirmal Bang Securities - Daily Bullion News and Summary

□ Gold topped \$2,700 an ounce for the first time on Friday as concerns over escalating conflicts in the Middle East and a tight US election race prompt investors to flock to safety. Bullion climbed as much as 1% to \$2,720.17 an ounce, beating the all-time high set in the previous session. The bullish sentiment spilled over to the wider precious metals complex, with silver jumping as much as 5.5% to the highest since 2012. BlackRock Inc.'s iShares Silver Trust, the largest exchange-traded product tracking the metal, saw a large increase of call options as investors bet on higher prices. Markets are focused on increasingly fraught geopolitical developments after Israel said it killed Hamas leader Yahya Sinwar, the architect of the Palestinian group's attack on southern Israel that triggered a yearlong war in Gaza. Prime Minister Benjamin Netanyahu said Israel would keep fighting until all the hostages captured by Hamas last year are free, even as US President Joe Biden said it was time for the war to end. Investors typically seek safety in gold in times of geopolitical and economic uncertainty. Investors were also repositioning portfolios ahead of the US election on Nov. 5. Gold is about 2.4% higher for the week, with haven demand outweighing other macro headwinds that would normally weigh on the precious metal after US reports on Thursday diminished bets on the scale of Federal Reserve easing.

□ Money managers have increased their bullish gold bets by 9,001 net-long positions to 235,284, weekly CFTC data on futures and options show. Long-only positions rose 8,884 lots to 253,640 in the week ending Oct. 15. Short-only positions fell 117 lots to 18,356. The short-only total was the lowest in six weeks. Money managers have increased their bullish silver bets by 788 net-long positions to 35,532, weekly CFTC data on futures and options show. Long-only positions rose 14 lots to 48,058 in the week ending Oct. 15. Short-only positions fell 774 lots to 12,526. The short-only total was the lowest in three weeks.

□ The 5% rally in the physical silver market on Friday was echoed in BlackRock's iShares Silver Trust, the largest exchange-traded product tracking the metal. Implied volatility of one-month options jumped to the highest since May 21, while the call skew was the most bullish in almost a month. The moves in the options market indicate traders are betting the silver rally to continue. Trading was led by \$30 calls expiring at the end of trading on Friday. Additional buying was likely triggered as shares of the ETF pushed above that \$30 level, where open interest was more than 90,000 contracts -- equivalent to 9 million shares, or about 40% of the average daily volume.

□ Hong Kong will roll out several measures with the aim of becoming an international trading center for gold and other commodities, Financial Secretary Paul Chan wrote in his blog Sunday. Policymakers plan to increase gold inventory facilities and accelerate the development of related businesses, such as trading, insurance and logistics, according to Chan. The city's government will also expand gold-related derivatives trading to satisfy mortgage and hedging needs. Chief Executive John Lee said in his 2024 policy address Wednesday that the government would form a working group to establish a global gold trading center and enhance its position as an international financial hub. Apart from gold-related trading, Hong Kong will also speed up the development of non-metals commodities trading, Chan wrote.

□ The most consequential shift in global commodities this year has not been oil's travails, iron ore's predictable-but-still-impressive collapse, or even copper's ability to hit a record in 1H. The accolade likely goes to gold, which has been — is being — subject to a profound and lasting upward re-rating. Prices are up by about a third so far this year, likely putting them in the zone for their best year since 1979. There are still plenty of bullish drivers, which look to have some distance to run, as has been summarized before here. With bullion now in a new, more elevated trading range, what matters at this point is the willingness of buyers to step in as prices notch fresh highs from time to time. Even if gold retraces a little at some point, it is very unlikely to go back to sub-\$2,000/oz days. In this framework, one suspect that central banks aren't especially price-sensitive; if anything, buying into a rising market validates their desire/need to diversify reserves. Elsewhere, bullion-backed ETFs have been expanding, but remain well shy of earlier levels, leaving room for more upside. And the event-risk-rich US presidential election is just around the corner.

□ Federal Reserve Bank of Atlanta President Raphael Bostic said he's not in a hurry to lower interest rates to the so-called neutral level, emphasizing that policymakers are committed to achieving their 2% inflation target. The Atlanta Fed chief reiterated the central bank's benchmark rate is still "a ways" above the level at which it neither boosts nor slows the economy, which he estimates to be between 3% and 3.5%. Bostic also said he expects inflation will fall to the Fed's target by the end of next year. "I'm not in a rush to get to neutral," Bostic said Friday during a moderated conversation at an event hosted by the Mississippi Council on Economic Education in Jackson, Mississippi. "We must get inflation back to our 2% target, and I don't want us to get to a place where inflation stalls out because we haven't been restrictive for long enough. So I'm going to be patient." Policymakers lowered borrowing costs by a half percentage point last month, using a larger-than-typical cut to protect the strength of the labor market. Bostic said it made sense for officials to start their easing cycle with a bigger move after holding rates at restrictive levels for more than a year and after risks to the labor market increased. The Atlanta Fed chief said earlier this week that he expects US economic growth to slow as consumers spend down their savings, but he sees the labor market remaining robust. Fed officials will meet next Nov. 6-7, just after the US presidential election.

**Fundamental Outlook:** Gold and silver prices are trading higher today on the international bourses. We expect gold and silver prices to trade higher for the day; as gold prices reached a record today, with safe haven demand continuing to support prices as traders monitored escalating tensions in the Middle East and the increasingly tight US election race.

### Key Market Levels for the Day

Bullion	Month	S3	S2	S1	R1	R2	R3
Gold – COMEX	December	2700	2720	2740	2755	2770	2800
Silver – COMEX	December	33.50	33.85	34.10	34.25	34.40	34.70
Gold – MCX	December	77450	77700	77900	78200	78500	78750
Silver – MCX	December	95300	96500	97500	98500	100000	101000

## Nirmal Bang Securities - Daily Currency Market Update

### Dollar Index

LTP/Close	Change	% Change
103.49	-0.33	-0.32

### Bond Yield

10 YR Bonds	LTP	Change
United States	4.0828	-0.0077
Europe	2.1820	-0.0260
Japan	0.9770	0.0080
India	6.8190	0.0380

### Emerging Market Currency

Currency	LTP	Change
Brazil Real	5.693	0.0381
South Korea Won	1368.8	-3.7000
Russia Rubble	95.2501	-2.1187
Chinese Yuan	7.1023	-0.0206
Vietnam Dong	25165	-12.0000
Mexican Peso	19.877	0.0351

### NSE Currency Market Watch

Currency	LTP	Change
NDF	84.19	-0.0100
USDINR	84.0775	-0.0100
JPYINR	56.0825	-0.2750
GBPINR	109.6825	0.3550
EURINR	91.2675	-0.1150
USDJPY	149.76	0.3900
GBPUSD	1.3061	0.0019
EURUSD	1.0866	-0.0009

### Market Summary and News

□ Indian sovereign bonds fell the most in two weeks after central bank governor Shaktikanta Das said it would be premature and risky to cut interest rates. 10-year yields rose 4bps, most since Oct. 4, to 6.82%. "Bond prices are falling as market shorts are pushing back rate-cut expectations to early next year, more so after the recent inflation data," says Rajeev Pawar, head of treasury at Ujjivan Small Finance Bank Ltd. "US data is also not conducive, leading to yields rising, which is also a driving point for bonds in the country." "Expect yields to trade in the range of 6.75% to 6.80% till December. By April, yields on the 10-year should be down to 6.60%." NOTE: US government bonds slumped after strong September retail-sales figures fueled doubts over how quickly the Federal Reserve will lower interest rates. The Reserve Bank of India drained INR200.7b through a 13-day variable rate reverse repo (VRRR) sale on Friday, versus its plan to remove around INR1t of funds. RBI also drained INR547.6b through a 3-day VRRR auction on Friday vs. an INR1.25t plan. NOTE: India Sells 330 Billion Rupees of Bonds as Planned, RBI Says. USD/INR little changed at 84.0737. The central bank takes every opportunity to build up reserves and doesn't have a target in mind, Governor Das said in an interview at Bloomberg's India Credit Market Forum. NOTE: India Foreign Exchange Reserves Fall to \$690.43b in Oct. 11 Week. "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 the rupee. In the current month until Oct. 11, the 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."

□ India's central bank Governor Shaktikanta Das said an interest rate cut at this stage would be "very, very risky" and he's in no hurry to join the wave of easing by global policymakers. While inflation is expected to moderate, there are "significant risks" to the outlook, Das told Bloomberg News Deputy Editor-in-Chief Reto Gregori at the India Credit Forum in Mumbai on Friday. Inflation and growth dynamics are well balanced, he said, but policymakers need to remain vigilant about price pressures. The Reserve Bank of India has kept its key interest rate unchanged for almost two years, although signaled last week it may be preparing to ease after changing its policy stance to neutral. That comes as central banks around the world follow the US Federal Reserve in reducing interest rates, with Thailand the latest to surprise with a cut this week. Responding to a question about global central bank easing, Das said "we will not miss the party; we don't want to join any party." An interest rate cut at this stage would be "very premature" and risky, says India's central bank Governor Shaktikanta Das in an interview with Bloomberg News Deputy Editor-in-Chief Reto Gregori at the Bloomberg India Credit Forum. Indian bonds extended losses after his comments, with the 10-year yields rising as much as 4 basis points — the most in two weeks — to 6.82%. Das pushed back against some analyst views that the RBI was "behind the curve" in cutting rates. Market expectations were aligned with the central bank actions, he said, citing last week's policy decision that was predicted by most economists.

□ A Bloomberg gauge of the dollar fell for the first session in five as traders consolidated the currency's gains on the week and Treasury yields slipped. The yen strengthened off the key 150 per dollar mark. The Bloomberg Dollar Spot Index trades down 0.2%; remains set for third week higher. "The USD's been on a very strong run since the start of Oct. and some consolidation in the broad move up seems appropriate," said Shaun Osborne, chief foreign-exchange strategist at Scotiabank. "I'd expect lower-than-usual volatility today, with little in the way of concrete data out of the US to drive markets, but we could see volatility and volume pick back up next week as traders start to position more to protect against a busy week of risks to end October and start November," said Helen Given, a foreign-exchange trader at Monex. 10-year Treasury yield falls around 2bp to 4.07%; Fed's Raphael Bostic emphasized patience in central bank's rate-cutting path. USD/JPY trades near session low, down 0.5% to 149.50 after breaching the 150 level on Thursday; yen leads gains among G-10. Ministry of Finance Vice Minister Atsushi Mimura told reporters the FX market would be monitored with a high sense of urgency, including any speculative moves. Demand for long-vega exposure picks up: trader; one-year volatility rises to 10.43%, highest since May 2023. Pair's 20-week moving average around 150.65 is a resistance level "with a close above possibly attracting some technical buying interest," wrote StoneX Financial's Michael Ragazzo in a note. GBP/USD rises 0.3% to 1.3044, adding to Thursday's gains; EUR/GBP reverses losses at 0.8329. UK retail sales unexpectedly rose on demand for consumer tech. EUR/USD gains 0.3% to 1.0864. ECB's Francois Villerooy de Galhau said central bank should remain flexible as it lowers rates. Australian and New Zealand dollars moderate gains seen after People's Bank of China discloses details on measures to boost capital markets.

### Key Market Levels for the Day

	S3	S2	S1	R1	R2	R3
USDINR SPOT	83.9425	83.9775	84.0155	84.0575	84.0850	84.1175

## Nirmal Bang Securities - Bullion Technical Market Update

### Gold Market Update



Market View	
Open	77294
High	77839
Low	77294
Close	77749
Value Change	642
% Change	0.83
Spread Near-Next	485
Volume (Lots)	6688
Open Interest	15833
Change in OI (%)	0.87%

### Gold - Outlook for the Day

**BUY GOLD DEC (MCX) AT 77900 SL 77700 TARGET 78200/78500**

### Silver Market Update



Market View	
Open	91995
High	95521
Low	91995
Close	95402
Value Change	3658
% Change	3.99
Spread Near-Next	2258
Volume (Lots)	31846
Open Interest	26032
Change in OI (%)	-1.01%

### Silver - Outlook for the Day

**BUY SILVER DEC (MCX) AT 97500 SL 96500 TARGET 99500/100000**

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

**USDINR Market Update**



Market View	
Open	84.0825
High	84.1000
Low	84.0675
Close	84.0775
Value Change	-0.0100
% Change	-0.0119
Spread Near-Next	-0.7505
Volume (Lots)	1047177
Open Interest	3254600
Change in OI (%)	11.16%

**USDINR - Outlook for the Day**

The USDINR future witnessed a flat opening at 84.08, which was followed by a session that showed consolidation with negative buyer with candle closures near low. A small red candle has been formed by the USDINR where price has support of 210-days moving average placed at 84.03. On the daily chart, the momentum indicator RSI trailing between 53-58 level shows some positive indication while MACD has made a positive crossover above the zero-line. We are anticipating that the price of USDINR futures will fluctuate today between 84.02 and 84.12.

**Key Market Levels for the Day**

	S3	S2	S1	R1	R2	R3
USDINR OCT	83.9728	84.0055	84.0350	84.0925	84.1225	84.1575

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