

Daily Bullion Physical Market Report

Date: 22nd October 2024

Daily India Spot Market Rates

Description	Purity	AM	PM
Gold	999	77968	78214
Gold	995	77656	77901
Gold	916	71419	71644
Gold	750	58476	58661
Gold	585	45611	45755
Silver	999	97167	97254

Rate as exclusive of GST as of 21st October 2024 Gold is Rs/10 Gm & Silver in Rs/Kg

Gold and Silver 999 Watch

Date	GOLD*	SILVER*
21 st October 2024	78214	97254
18 th October 2024	77410	92283
17 th October 2024	76810	91600
16 th October 2024	76553	91512

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

COMEX Futures Watch

Description	Contract	Close	Change	%Chg
Gold(\$/oz)	DEC 24	2738.90	8.90	0.33
Silver(\$/oz)	DEC 24	34.08	0.84	2.54

ETF Holdings as on Previous Close

ETFs	In Tonnes	Net Change
SPDR Gold	888.63	4.04
iShares Silver	14,766.71	39.71

Gold and Silver Fix

Description	LTP
Gold London AM Fix(\$/oz)	2734.30
Gold London PM Fix(\$/oz)	2736.45
Silver London Fix(\$/oz)	34.00

Bullion Futures DGCX

Description	Contract	LTP
Gold(\$/oz)	DEC 24	2735.6
Gold Quanto	DEC 24	78059
Silver(\$/oz)	DEC 24	34.02

Gold Ratio

Description	LTP
Gold Silver Ratio	80.37
Gold Crude Ratio	38.82

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	19442.53	161.93	0.83 %

Macro-Economic Indicators

Time	Country	Event	Forecast	Previous	Impact
22 nd October 07:30 PM	United States	FOMC Member Harker Speaks	-	-	Medium
22 nd October 07:30 PM	United States	Richmond Manufacturing Index	-19	-21	Medium

Nirmal Bang Securities - Daily Bullion News and Summary

Gold pared gains on Monday after reaching a fresh record high amid tensions in the Middle East and the approaching US presidential election. Bullion rose as much as 0.7% before retreating as some investors booked profits after the precious metal's four-day winning streak. It breached the \$2,700-an-ounce threshold last week, with analysts attributing gains to haven demand amid uncertainty around the outcome of the US election and ongoing worries over the Middle East. Israel has been discussing its attack on Iran after a Hezbollah drone exploded near Prime Minister Benjamin Netanyahu's private home at the weekend. Silver advanced as much as 1.7% on Monday to the highest since 2012 before surrendering those gains. Gold has hit successive all-time highs in recent months and is up by more than 30% this year. Along with haven demand and US political uncertainty, the rally has been fueled by robust central-bank buying and expectations of US interest-rate cuts. Lower rates are often seen as bullish for non-interest bearing gold. Meanwhile, money managers have increased net-long positions in gold, while investors have added to exchange-traded fund holdings in recent sessions. SPDR Gold Shares, the world's largest bullion-backed ETF, registered the biggest weekly inflow since March.

Federal Reserve Bank of San Francisco President Mary Daly said she expected the US central bank would continue cutting interest rates to guard against further weakening in the labor market. "So far, I haven't seen any information that would suggest we wouldn't continue to reduce the interest rate." Daly said Monday at the Wall Street Journal's TechLive conference in Laguna Beach, California. "This is a very tight interest rate for an economy that already is on a path to 2% inflation, and I don't want to see the labor market go further." Policymakers at their meeting last month began lowering interest rates for the first time since the onset of the pandemic. They cut their benchmark by a half percentage point, to a range of 4.75% to 5%, as concern mounted that the labor market was deteriorating and as inflation cooled close to the Fed's 2% goal. Economic data since then has shown that hiring in recent months was stronger than initially reported, and market participants now anticipate a smaller, quarter-point cut at the Fed's Nov. 6-7 policy meeting. The San Francisco Fed chief said the decision to cut by a half-point as opposed to a quarter-point was a "close call," though she came down strongly on the side of a half-point reduction. She didn't offer any comments on the pace of cuts going forward. "We will continue to adjust policy to make sure it fits the economy that we have and the one that's evolving," Daly said. Fed officials speaking earlier Monday in other venues signaled they favor a slower tempo of rate reductions than that implied by September's half-point cut.

Federal Reserve Bank of Kansas City President Jeffrey Schmid said he favors a slower pace of interest-rate reductions given uncertainty about how low the US central bank should ultimately cut rates. Schmid, in his first public remarks since August, said he hoped for a "more normalized" policy cycle where the Fed makes "modest" adjustments to sustain economic growth, stable prices and full employment. He said a slower pace of rate reductions will also allow the Fed to find a so-called neutral level — where policy neither weighs on nor stimulates the economy. "Absent any major shocks, I am optimistic that we can achieve such a cycle, but I believe it will take a cautious and gradual approach to policy," Schmid said Monday in prepared remarks for an event in Kansas City, Missouri. Policymakers cut interest rates by a larger-than-usual half percentage point at their meeting last month, lowering rates for the first time since the onset of the pandemic, as the labor market showed signs of weakness and inflation approached the Fed's 2% goal. "While I support dialing back the restrictiveness of policy, my preference would be to avoid outsized moves, especially given uncertainty over the eventual destination of policy and my desire to avoid contributing to financial market volatility," Schmid said. Economic data since the September meeting has shown hiring over the past three months was stronger than initially expected, and market participants now anticipate a smaller, quarter-point cut at the Fed's Nov. 6-7 meeting.

Federal Reserve Bank of Minneapolis President Neel Kashkari repeated that he favors reducing interest rates at a slower pace in the coming quarters. Kashkari, speaking Monday at an event in Wisconsin, said he supported the larger-than-normal rate cut that policymakers delivered last month, but indicated he sees smaller cuts at future meetings. "Right now I am forecasting some more modest cuts over the next several quarters to get to something around neutral, but it's going to depend on the data," Kashkari said, referring to the level at which rates would neither stimulate nor restrict the economy. To move more rapidly, he said, he'd need to see "real evidence that the labor market is weakening quickly." Policymakers cut rates for the first time since the onset of the pandemic at their meeting last month, lowering them by a half percentage point. Economic data since that meeting have shown more robust hiring than previously thought over the past three months and hotter-than-expected inflation in September. Markets now see the central bank likely reducing rates by a quarter points at their Nov. 6-7 meeting.

European gold miners are trading higher on Monday after the metal hit a new record, with haven demand continuing to support prices as traders monitored escalating tensions in the Middle East and the increasingly tight US election race. UK-listed firms are higher including Fresnillo (+4.0%), Centamin (+0.7%) and Hochschild (+2.1%), as are South African-listed firms like AngloGold Ashanti (+2.5%), Gold Fields (+2.6%) and Sibanye Stillwater (+5.2%). Gold climbed as much as 0.4% to an all-time high of \$2,732.82 an ounce, topping last week's peak. The bullish sentiment has also spilled over to silver, which was trading at the highest since 2012. Markets are focused on geopolitical risks in the Middle East, with Israel discussing its next attack on Iran after a Hezbollah drone exploded next to Prime Minister Benjamin Netanyahu's private home on Saturday. Traders were also repositioning portfolios ahead of the US election on Nov. 5.

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
104.01	0.52	0.50

Bond Yield

10 YR Bonds	LTP	Change
United States	4.1956	0.1128
Europe	2.2810	0.0990
Japan	0.9640	-0.0130
India	6.8290	0.0100

Emerging Market Currency

Currency	LTP	Change
Brazil Real	5.6955	0.0025
South Korea Won	1378.2	9.4000
Russia Rubble	96.55	1.2999
Chinese Yuan	7.1209	0.0186
Vietnam Dong	25290	125.0000
Mexican Peso	19.9791	0.1021

NSE Currency Market Watch

Currency	LTP	Change
NDF	84.18	0.0000
USDINR	84.0925	0.0150
JPYINR	56.1	0.0175
GBPINR	109.545	-0.1375
EURINR	91.24	-0.0275
USDJPY	149.75	-0.0100
GBPUSD	1.3027	-0.0034
EURUSD	1.0859	0.0005

Market Summary and News

□ Local bonds may track gains in US yields to open lower. Indian states to sell INR81b of notes on Tuesday. USD/INR little changed at 84.0663 on Monday. Implied opening from forwards suggest spot may start trading around 84.08. 10-year yields little changed at 6.83% on Monday. Morgan Stanley likes short THB/INR, it says in note. THB is the most sensitive AXJ currency to higher US yields and could underperform should US yields continue to move higher. Meanwhile, the RBI has a preference for keeping USD/INR stable. For USD/INR to break higher, we think that it would require USD/CNH to move higher as well, as we saw in 2Q24 post-India election. The Reserve Bank of India net sold \$6.5 billion in the spot FX market in August, the central bank says in its monthly bulletin on Monday. The RBI's net short outstanding FX sales book is at \$18.98b in August-end vs \$9.1b in previous month. RBI Expects Festive Demand in India to Help Revive Growth. Global Funds Sell Net 22.6B Rupees of Indian Stocks Oct. 21: NSE. They sold 1.41 billion rupees of sovereign bonds under limits available to foreign investors, and withdrew 2 billion rupees of corporate debt. State-run banks bought 18.8 billion rupees of sovereign bonds on Oct. 21: CCIL data. Foreign banks sold 25.6 billion rupees of bonds.

□ The dollar rose alongside Treasury yields on Monday while the yen weakened below the 150 per dollar mark, set for its worst session in more than two weeks. The Bloomberg Dollar Spot Index was up over 0.4% and set a new, 10-week high above the 1257 level. The yield on 10-year Treasuries rose more than 9bp to 4.18%. "The 10-year Treasury yield will test the 5% threshold in the next six months, steepening the yield curve," said Arif Husain, chief investment officer of fixed-income at T. Rowe Price. Citi and JPMorgan flagged election risks in rates outlooks for the weeks ahead, while the Dallas Fed's Lorie Logan repeated a call to gradually lower rates. One-month risk reversals on BBDXY were close to their most bullish since early-July. USD/JPY reversed Asia-session losses, surged 0.8% to 150.74; set for best day since Oct. 4. Offshore accounts added fresh long exposure after the London open: trader. Japan's ruling coalition of the LDP and Komeito may fall below the threshold of 233 seats needed for a parliamentary majority, according to an Asahi poll. The pair's term structure shows focus remains on US presidential race with Japan elections not seen as a game changer. Japan's largest labor union federation aims to secure wage increases averaging at least 5% in next year's pay negotiations, in a bid to maintain momentum that's considered a key factor for the Bank of Japan's policy path. EUR/USD was down 0.5% to 1.0815; sizable bids remained around 1.0800: traders. ECB Governing Council member Gediminas Simkus said borrowing costs will be reduced further should the downtrend in inflation persist. EUR/GBP climbed 0.1% to 0.8330; buyer "jitters" ahead of Chancellor of the Exchequer Rachel Reeves' first budget this month are muting a typical autumn bounce in house price, according to property website Right move. USD/CAD rose 0.3% to 1.3838 as the Bank of Canada decision comes into view. Consensus estimate sees a 50bp cut from BOC on Wednesday. "The decision to accelerate the pace of rate cuts is inherently dovish, and we expect policy guidance to be updated to clearly indicate that upside risks to inflation have diminished," Citi economists Veronica Clark and Gisela Hoxha wrote.

□ Most currencies from developing economies fell on Monday with uncertainty over the US presidential election next month weighing on risk sentiment. MSCI Inc.'s EM currency gauge was down most of the session by more than 0.2% before closing flat due to an end-of-session adjustment. Mexico's peso touched a six-week low as pressure mounts on the currency ahead of the US election. The Polish zloty and the Hungarian forint led losses in emerging markets. The US dollar was extending gains on Monday with investors highlighting volatility risks ahead of the vote. The debate around tariffs has put additional pressure on the market, particularly as a potential Donald Trump win is seen as gaining traction. Investors are also watching more tensions in the Middle East, as US officials traveled to the Middle East in a last-ditch effort to secure a cease-fire in Israel's wars with Iran-backed Hezbollah and Hamas. MSCI Inc.'s EM equities gauge down by as much as 0.7%. China's mainland shares edged higher after domestic banks cut their lending rates, while tech stocks listed in Hong Kong, including Tencent and Alibaba fell. Fed's Bank of Minneapolis President Neel Kashkari repeated that he favors reducing interest rates at a slower pace in the coming quarters. Dominican Republic bonds fell after President Luis Abinader withdrew a bill that aimed to increase tax collection, dampening hopes the nation will be upgraded to investment grade.

Key Market Levels for the Day

	S3	S2	S1	R1	R2	R3
USDINR SPOT	83.9850	84.0125	83.0475	84.0925	84.1225	84.1675

Nirmal Bang Securities - Bullion Technical Market Update

Gold Market Update



TradingView

Market View	
Open	78077
High	78460
Low	77868
Close	78039
Value Change	290
% Change	0.37
Spread Near-Next	499
Volume (Lots)	6552
Open Interest	15186
Change in OI (%)	-4.26%

Gold - Outlook for the Day

BUY GOLD DEC (MCX) AT 77800 SL 77500 TARGET 78200/78500

Silver Market Update



TradingView

Market View	
Open	97190
High	98598
Low	96506
Close	97448
Value Change	2046
% Change	2.14
Spread Near-Next	2393
Volume (Lots)	24156
Open Interest	26481
Change in OI (%)	1.70%

Silver - Outlook for the Day

BUY SILVER DEC (MCX) AT 96500 SL 95500 TARGET 98000/99000

Nirmal Bang Securities - Currency Technical Market Update

USDINR Market Update



TradingView

Market View	
Open	84.0575
High	84.0975
Low	84.0575
Close	84.0925
Value Change	0.0150
% Change	0.0178
Spread Near-Next	-0.7655
Volume (Lots)	721836
Open Interest	2708835
Change in OI (%)	-20.15%

USDINR - Outlook for the Day

The USDINR future witnessed gap-down opening at 84.05, which was followed by a session where price shows minimal buying from lower level with candle enclosure near high. A green candle has been formed by the USDINR price having support of 10-days moving average placed at 83.06 levels. 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 84.04 and 84.12.

Key Market Levels for the Day

	S3	S2	S1	R1	R2	R3
USDINR OCT	83.9975	84.0250	84.0525	84.1050	84.1375	84.1650

Nirmal Bang Securities – Commodity Research Team

Name	Designation	Email
Kunal Shah	Head of Research	kunal.shah@nirmalbang.com
Devidas Rajadhikary	AVP Commodity Research	devidas.rajadhikary@nirmalbang.com
Harshal Mehta	AVP Commodity Research	harshal.mehta@nirmalbang.com
Ravi D'souza	Sr. Research Analyst	ravi.dsouza@nirmalbang.com
Jayati Mukherjee	Sr. Research Analyst	Jayati.mukherjee@nirmalbang.com
Smit Bhayani	Research Analyst	smit.bhayani@nirmalbang.com
Utkarsh Dubey	Research Associate	Utkarsh.dubey@nirmalbang.com

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.