



# India Bullion and Jewellers Association Ltd.

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Daily Bullion Physical Market Report

Date: 02<sup>nd</sup> December 2021

### Daily India Spot Market Rates

Description	Purity	AM	PM
Gold	999	47849	47807
Gold	995	47657	47616
Gold	916	43830	43791
Gold	750	35887	35855
Gold	585	27992	27967
Silver	999	62218	62069

\* Rates are exclusive of GST as of 01<sup>st</sup> December 2021  
Gold in Rs/10 Gm & Silver in Rs/Kg

### Gold and Silver 999 Watch

Date	Gold*	Silver*
01 <sup>st</sup> December 2021	47807	62069
30 <sup>th</sup> November 2021	48101	62055
29 <sup>th</sup> November 2021	48124	63046
26 <sup>th</sup> November 2021	48466	63612

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

### COMEX Futures Watch

Description	Contract	Close	Change	% Chg
Gold(\$/oz)	Feb	1784.30	7.80	0.44
Silver(\$/oz)	Mar	22.34	-0.48	-2.09

### Bullion Futures DGCX

Description	Contract	LTP
Gold (\$/oz)	26th November 2021	1781.7
Gold Quanto	25th November 2021	47598
Silver (\$/oz)	26th November 2021	22.30

### ETF Holdings as on Previous Close

ETF	In Tons	Net Change
SPDR Gold	990.82	-2.03
iShares Silver	17,044.77	-23.02

### Gold and Silver Fix

Description	LTP
Gold London AM Fix(\$/oz)	1786.80
Gold London PM Fix(\$/oz)	1789.25
Silver London Fix(\$/oz)	22.86

### Weekly CFTC Positions

	Long	Short	Net
Gold	1,66,186	47,457	1,18,729
Silver	54,843	24,956	29,887

### Gold Ratio

Gold Silver Ratio	79.87
Gold Crude Ratio	27.21

### MCX Indices

Index	Close	Net Change	% Change
MCX iCOMDEX Bullion	14069.13	-43.72	-0.31%

### Macro-Economic Indicators

Time	Country	Event	Forecast	Previous	Impact
02 <sup>nd</sup> December 07:00 PM	United States	Unemployment Claims	238K	199K	MEDIUM
02 <sup>nd</sup> December 07:00 PM	United States	FOMC Member Bostic Speaks	-	-	LOW
02 <sup>nd</sup> December 07:30 PM	United States	Treasury Sec Yellen Speaks	-	-	MEDIUM
02 <sup>nd</sup> December 09:30 PM	United States	FOMC Member Quarles Speaks	-	-	LOW
02 <sup>nd</sup> December 10:00 PM	United States	FOMC Member Barkin Speaks	-	-	MEDIUM
02 <sup>nd</sup> December 10:00 PM	United States	FOMC Member Bostic Speaks	-	-	LOW
02 <sup>nd</sup> December 10:00 PM	United States	FOMC Member Daly Speak	-	-	LOW



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## Nirmal Bang Securities - Daily Bullion News and Summary

- Gold rebounded from a three-week low as traders weighed the spread of the omicron coronavirus variant against comments by Federal Reserve Chair Jerome Powell on the need to curb inflation. Researchers worldwide are racing to understand the full impact of the strain, first identified in South Africa and detected in countries from the U.K. to Brazil. It has prompted a raft of travel restrictions to curtail its spread, and sparked concerns about whether the strain could evade the protection of vaccines and fuel new surges in infections. Powell reinforced his message that the U.S. central bank would keep inflation in check and said for the second time in two days that officials should consider speeding up how quickly they withdraw policy support.
- U.S. Mint sales of American Eagle gold coins totaled 126,000 ounces in November, down from 153,000 ounces in October, according to figures on its website. In the first 11 months of the year, gold coin sales totaled 1.2 million ounces, up 51% from a year earlier. Sales of American Eagle silver coins rose 34% to 1.447 million ounces last month from October.
- The Irish central bank has been adding to its gold reserves as inflation in the euro area runs far ahead of the European Central Bank target. The Dublin-based institution's purchase of 2 tons of gold in recent months has ended a more than decade-long period of unchanged holdings of the precious metal. When asked about the reasoning behind the purchases, a spokesperson said that the central bank's gold transactions "are commercially sensitive and no further comment can be made at this time." While the institution has given no reason for the increase in its stockpile, the Governor Gabriel Makhoul last week warned that policy makers cannot afford to be complacent on inflation. Central bankers' appetite for gold grew in the first half of the year, with global reserves expanding 333.2 tons, 39% higher than the five-year average for the period, according to the World Gold Council, which noted strong purchases by Thailand, Hungary and Brazil. Singapore increased its gold reserves by about 20% earlier this year in a largely under-the-radar move the central bank says will ensure the resiliency of its portfolio.
- State Street's SPDR Gold Shares, the biggest precious-metals ETF, maintained its holdings in the last session. The fund's total of 31.9 million ounces has a market value of \$56.6 billion. ETFs cut 56,168 troy ounces of silver from their holdings in the last trading session, bringing this year's net purchases to 18.6 million ounces. The sales were equivalent to \$1.28 million at yesterday's spot price. Total silver held by ETFs rose 2.1 percent this year to 908.2 million ounces. Silver declined 14 percent this year to \$22.84 an ounce and by 0.3 percent in the latest session.
- Federal Reserve Chair Jerome Powell reinforced his message that the U.S. central bank would keep inflation in check and said for the second time in two days that officials should consider speeding up how quickly they withdraw policy support. "We've seen inflation be more persistent. We've seen the factors that are causing higher inflation to be more persistent." Powell told the House Financial Services Committee on Wednesday. "Policy has adapted to that and will continue to adapt." Powell echoed remarks he made on Tuesday to the Senate Banking Committee that it would be "appropriate" to discuss whether the central bank should wind up its asset purchases at a faster pace given heightened inflation risks. "If you look at the state of the economy, look at where we are, look at the most recent run of data, you can see that the highly accommodative policy that we have even after the taper is done, it's really appropriate that we taper," Powell said. "As I mentioned yesterday, it's appropriate that we consider at the next meeting tapering faster so that it wraps up a few months earlier." He also told the Senate that he wanted to retire the word "transitory" to describe price increases, and indeed in his written remarks, which were repeated to the House panel Wednesday, he said inflation pressures will "linger well into next year."
- **Fundamental Outlook:** Gold and silver prices are trading slightly positive today on international bourses. We expect precious metals prices on Indian bourses to trade range-bound to higher for the day. We continue to recommend buying on dips in intra-day trading sessions after mounting concerns about risks from the omicron variant, with investors also assessing the latest comments addressing inflation from Federal Reserve Chair Jerome Powell.

### Key Market Levels for the Day

	Month	S3	S2	S1	R1	R2	R3
Gold – COMEX	December	1750	1765	1780	1800	1825	1855
Silver – COMEX	December	21.70	21.90	22.10	22.65	22.90	23.10
Gold – MCX	February	47280	47550	47750	47950	48100	48400
Silver - MCX	March	60200	60800	61500	61800	62300	63000



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### Nirmal Bang Securities - Daily Currency Market Update

#### Dollar index

LTP/Close	Change	% Change
96.03	0.03	0.04

#### Bond Yield

10 YR Bonds	LTP	Change
United States	1.4037	-0.0406
Europe	-0.3460	0.0050
Japan	0.0650	0.0080
India	6.3520	0.0260

#### Emerging Market Currency

Currency	LTP	Change
Brazil Real	5.6808	0.0571
South Korea Won	1179.1	-8.9500
Russia Ruble	74.265	0.1855
Chinese Yuan	6.3681	0.0037
Vietnam Dong	22710	-19
Mexican Peso	21.5099	0.0586

#### NSE Currency Market Watch

Currency	LTP	Change
NDF	75.28	-0.07
USDINR	75.145	-0.2275
JPYINR	66.31	-0.4975
GBPINR	100.125	-0.5125
EURINR	85.21	-0.46
USDJPY	113.31	0.54
GBPUSD	1.3324	-0.0017
EURUSD	1.1341	-0.0025

#### Market Summary and News

- India continued to recover in the third quarter as the delta wave of Covid-19 faded and the economy reopened. But the emergence of the new omicron variant and soaring global inflation add downside risk to our outlook for steady progress in coming months. India registered GDP growth of 8.4% year on year in 3Q, compared with 20.1% in 2Q. The reading beat consensus (8.3%) and our forecast of 8%. Growth in gross value added came in at 8.5% in 3Q, down from 18.8% in 2Q. On a seasonally-adjusted basis, there is estimate that GDP in 3Q regained its pre-pandemic peak seen in 1Q20. But it still remains roughly 1% below its 1Q21 level. The added uncertainty created by the omicron strain of Covid-19 strengthens our call for the Reserve Bank of India to keep interest rates on hold at its Dec. 8 meeting. But the stronger than expected 3Q reading adds a slight upside risk to our full year forecast for GDP growth of 8.9% for fiscal 2022 (ending 1Q22). Still, it's a less optimistic scenario than the RBI's estimate of 9.5%. Besides the risk of renewed government restrictions on public life to combat the spread of the omicron variant, the economy also faces headwinds from softening external demand, global supply bottlenecks, inflation and the likelihood of a faster pace of Federal Reserve tapering. This means growth is likely to undershoot the RBI's projection.
- The GDP rebound in 3Q was led by the services sector as the easing of restrictions allowed contact-intensive sector such as tourism, education and recreation to gather pace. Real growth in manufacturing was not as strong as expected because rising input costs hurt profitability. The agricultural sector expanded at a healthy pace, supported by good monsoon rains. Investment activity picked up pace in 3Q, probably reflecting increased capital spending by the government. We expect the private sector investment cycle to restart as more economic activity lifts capacity utilization rates in industry. A recent swathe of reforms, such as lower corporate tax and manufacturing subsidies, along with negative real rates and surplus liquidity should revive private sector investments going forward. Progress on India's vaccination program should also lower the risk of a third wave of infections. More than four-fifths of India's adult population has now received their first dose and almost half are fully vaccinated. The further easing of restrictions in the current quarter should also help sustain the gradual pace of recovery. This should be supported by the central bank's accommodative stance on monetary policy, which includes keeping rates ultra low for longer. But uncertainty about the efficacy of vaccines against the omicron variant and the possibility of renewed restrictions will hang over the outlook. The government has already decided to review its plan to resume international travel from Dec. 15. The absence of additional monetary and fiscal policy space to boost the recovery in the event of further lockdowns also poses a significant downside risk to the outlook.
- In a clear sign that the Federal Reserve is shifting to tighter monetary policy, Jerome Powell who's spent months arguing that the pandemic surge in inflation was largely due to transitory forces told Congress on Tuesday that it's probably a good time to retire that word. The Fed chair, tapped last week for another four-year term, still thinks inflation will ebb next year. But in testimony before the Senate Banking Committee, he acknowledged that it's proving more powerful and persistent than expected, and said the Fed will consider ending its asset purchases earlier than planned. Fed wants to create some space to give them the option to raise rates well before the end of next year if they feel they need to. Tightening credit before the jobs market has returned to the halcyon days that prevailed before Covid-19, when Black unemployment was at record lows and labour force participation was elevated, could invite criticism that the Fed is stepping away from the new monetary policy framework it adopted last year. That was designed to ensure jobs gains that were broad-based and inclusive. For markets, what Powell had to say about the two T-words, transitory and tapering which pointed in the same direction that policy makers are preparing the ground to raise interest rates much earlier than they'd anticipated just a few months ago, when the emphasis was on waiting until the economy was back to full employment. After Powell's remarks, money markets estimated a 50-50 chance that the Fed will hike as early as May, and they're pricing in around 60 basis points of increases by the end of 2022.

#### Key Market Levels for the Day

	S3	S2	S1	R1	R2	R3
USDINR Spot	74.4000	74.5800	74.7000	75.1200	75.2500	75.3800



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## Nirmal Bang Securities - Bullion Technical Market Update

### Gold Market Update



#### Market View

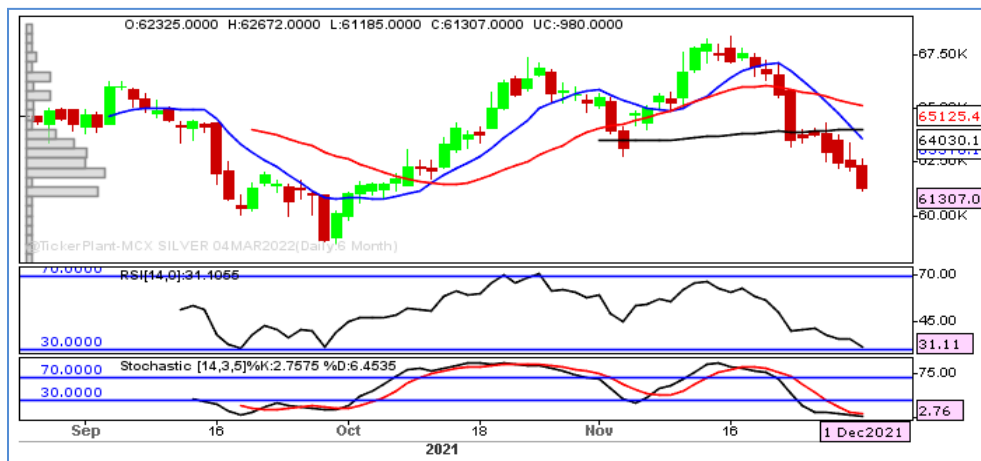
Open	47799
High	48047
Low	47682
Close	47872
Value Change	67
% Change	0.14
Spread Near-Next	0
Volume (Lots)	5962
Open Interest	9775
Change in OI (%)	-2.71%

### Gold - Outlook for the Day

In Gold We have seen a pullback in gold prices for which left the yellow metal in green in a last trading session. It seems that the prices are likely to take support around 1750-60. And Bounced as Expected We are recommending buying on dips for the target of 1810-20.

**BUY GOLD FEB (MCX) AT 47750 SL 47550 TARGET 48000/48100**

### Silver Market Update



#### Market View

Open	62325
High	62672
Low	61185
Close	61307
Value Change	-980
% Change	-1.57
Spread Near-Next	0
Volume (Lots)	15621
Open Interest	12763
Change in OI (%)	18.66%

### Silver - Outlook for the Day

Silver prices are trading supportive around 22.00 we have seen a sharp fall in silver prices after FOMC meet we believe dark is over and start accumulating at lower levels for 22.80-23.10.

**BUY SILVER MARCH (MCX) AT 60800 SL 60200 TARGET 61800/62300**



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### Nirmal Bang Securities - Currency Technical Market Update

#### USDINR Market Update



#### Market View

Open	75.25
High	75.25
Low	75.0075
Close	75.145
Value Change	-0.2275
% Change	-0.3
Spread Near-Next	-1.0118
Volume	2640759
Open Interest	1909877
Change in OI (%)	1.30%

#### USDINR - Outlook for the Day

USDINR had a weak open at 75.25 followed by a zig zag momentum with closure in red at 75.14. On the daily chart, the pair has formed a red candle with closure in lower lows and highs indicating profit taking. The pair has given closure above all the moving averages indicating support in the pair. USDINR if breaches the support of 75 will go on to test the lows of 74.88 – 74.70 and one can go short for the same. However, an open above 75.25 could test the highs of 75.55. The daily strength indicator RSI and momentum oscillator Stochastic both are above their respective reference number indicating strength.

#### Key Market Levels for the Day

	S3	S2	S1	R1	R2	R3
USDINR November	74.7500	74.8800	75.0000	75.2500	75.3800	75.5200



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