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Daily Bullion Physical Market Report

Date: 03rd December 2021

Daily India Spot Market Rates

Description	Purity	AM	PM
Gold	999	47618	47601
Gold	995	47427	47410
Gold	916	43618	43603
Gold	750	35714	35701
Gold	585	28153	27847
Silver	999	63046	60789

* Rates are exclusive of GST as of 02nd December 2021
Gold in Rs/10 Gm & Silver in Rs/Kg

Gold and Silver 999 Watch

Date	Gold*	Silver*
02 nd December 2021	47601	60789
01 st December 2021	47807	62069
30 th November 2021	48101	62055
29 th November 2021	48124	63046

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

COMEX Futures Watch

Description	Contract	Close	Change	% Chg
Gold(\$/oz)	Feb	1762.70	-21.60	-1.21
Silver(\$/oz)	Mar	22.32	-0.02	-0.10

Bullion Futures DGCX

Description	Contract	LTP
Gold (\$/oz)	26th November 2021	1765.9
Gold Quanto	25th November 2021	47234
Silver (\$/oz)	26th November 2021	22.39

ETF Holdings as on Previous Close

ETF	In Tons	Net Change
SPDR Gold	986.17	-4.65
iShares Silver	16,999.95	-44.82

Gold and Silver Fix

Description	LTP
Gold London AM Fix(\$/oz)	1775.70
Gold London PM Fix(\$/oz)	1765.00
Silver London Fix(\$/oz)	22.40

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	78.99
Gold Crude Ratio	26.51

MCX Indices

Index	Close	Net Change	% Change
MCX iCOMDEX Bullion	14025.41	-113.08	-0.81%

Macro-Economic Indicators

Time	Country	Event	Forecast	Previous	Impact
03 rd December 07:00 PM	United States	Non-Farm Employment Change	553K	531K	HIGH
03 rd December 07:00 PM	United States	Unemployment Rate	4.5%	4.6%	HIGH
03 rd December 08:15 PM	United States	Final Services PMI	57.0	57.0	LOW
03 rd December 08:30 PM	United States	ISM Services PM	64.9	66.7	HIGH
03 rd December 08:30 PM	United States	Factory Orders m/m	0.5%	0.2%	LOW



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Nirmal Bang Securities - Daily Bullion News and Summary

- Gold fell to the lowest price in a month with bond yields rebounding as traders continued assessing the threat of the omicron variant to the economic recovery. A U.S. jobs report showed applications for U.S. state unemployment benefits rose by less than forecast last week after a plunge tied to seasonal adjustments in the prior period. The figures come a day before the government's monthly employment report, which is projected to show payrolls increased by 546,000 in November. Bullion has been whipsawed recently by statements from health authorities and vaccine makers on the level of risk posed by the new variant, as well as more hawkish comments from Federal Reserve Chair Jerome Powell. The Fed chair reinforced his message on Wednesday 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. He said it would be "appropriate" to discuss whether the Fed should wind up its asset purchases at a faster pace, given heightened inflation risks.
- Hawkish comments from Fed officials today sent gold plunging. Growing market acceptance over more hikes soon and fewer later means bullion should face a tough path forward in coming months. Spot gold is trading around \$1,765 -- the lowest since Nov. 3. Part of that is due to the dollar's rise on the day, but the metal's steep drop from last month's high of roughly \$1,867 betrays traders' belief that the Fed will speed up tapering and then hike, and in so doing ease inflation. The flatter yield curve this week offers the same interpretation. Who wants an inflation hedge in an era of policy tightening? If the Fed commits to a faster taper at its December meeting, gold will suffer further.
- Treasury Secretary Janet Yellen said that it's the Federal Reserve's job to avert any wage-price spiral and that she understands the "reasoning" behind plans at the central bank to scale back its asset purchases. Wage and price behaviour will be the key signs to watch to detect whether the U.S. economy is "overheating," Yellen said, speaking virtually on Thursday to a conference organized by Reuters. Yellen said that she isn't currently seeing signs of any such cycle of wage gains spurring consumer prices and further increases in employment costs that then boost inflation. However, the labour market is tight, as measured by gauges including the historically high rate of people quitting their jobs, she said. The Fed cannot affect the supply factors that have caused higher prices, Yellen also said. She noted that lowering some trade tariffs imposed during the Trump administration could help address price pressures, though that wouldn't be a "game changer." The U.S. Trade Representative's office is examining some of the tariffs, which have caused problems "without justification," Yellen said.
- Call it the new, new normal in the trading relationship between the U.S. dollar and stocks. Equities volatility and the hedges that come with it are dictating flows in the U.S. currency, not the other way around. The greenback has more recently been moving in line with interest rates, rather than reacting to haven flows and bids for U.S. assets the way it did early in the pandemic. The Deutsche Bank FX Volatility indicator has been moving more closely with two-year Treasury yields, which is usually used to price in Federal Reserve moves. As bets on rate hikes rise in anticipation that the Fed will address U.S. inflation that's outpaced its global peers, so have yields, and with them the dollar. Since Fed Chairman Powell suggested earlier this week that it's best to retire the word "transitory" in describing inflation and that he's open to speeding up the central bank's tapering of bond purchases, yields on the front end of the Treasury curve have climbed 10 basis points.
- More Federal Reserve officials laid out the case for speeding up the removal of policy support amid higher inflation, adding their voices to the message delivered by Chair Jerome Powell earlier this week. "I certainly would be supportive of a committee decision to move the end of the taper forward from where people had been expecting it in June," Governor Randal Quarles, who steps down from the Fed later this month, said Thursday in response to a moderator's questions after a farewell speech. Powell told lawmakers this week that officials should consider speeding up the taper of bond buying at their upcoming meeting to wrap it up a few months earlier than initially planned. He cautioned that a new variant of Covid-19 was a threat to the outlook for both employment and inflation, while noting that the risks of elevated price pressures have clearly risen. The chair's obvious signal on a potential policy move was unusual just two weeks before a meeting of the Federal Open Market Committee -- he'd usually avoid front-running any decision -- but his colleagues are already lining up in public support. Quarles' remarks chimed with comments by Atlanta Fed President Raphael Bostic and San Francisco's Mary Daly, who reiterated their view it might be appropriate to scale back Fed asset purchases at a faster pace. Cleveland Fed President Loretta Mester made a similar case during an interview on Bloomberg Television on Wednesday evening.
- **Fundamental Outlook:** Gold and silver prices are trading slightly higher today on international bourses. We expect precious metals prices on Indian bourses to trade slightly higher to flat to lower for the day. We recommend selling on rise in intra-day trading sessions as investors continued to assess the impact of the omicron virus strain on the global reopening, ahead of a key U.S. jobs report.

Key Market Levels for the Day

	Month	S3	S2	S1	R1	R2	R3
Gold – COMEX	December	1725	1740	1750	1785	1799	1810
Silver – COMEX	December	21.70	21.90	22.10	22.65	22.90	23.10
Gold – MCX	February	47000	47200	47350	47630	47850	48000
Silver - MCX	March	59600	60200	60800	61500	62200	62850



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Nirmal Bang Securities - Daily Currency Market Update

Dollar index

LTP/Close	Change	% Change
96.16	0.13	0.13

Bond Yield

10 YR Bonds	LTP	Change
United States	1.4443	0.0407
Europe	-0.3720	-0.0270
Japan	0.0630	-0.0020
India	6.3520	0.0000

Emerging Market Currency

Currency	LTP	Change
Brazil Real	5.6393	-0.0415
South Korea Won	1176.5	-2.6000
Russia Ruble	73.662	-0.603
Chinese Yuan	6.3771	0.009
Vietnam Dong	22723	13
Mexican Peso	21.2649	-0.245

NSE Currency Market Watch

Currency	LTP	Change
NDF	75.23	-0.01
USDINR	75.19	0.045
JPYINR	66.5475	0.2375
GBPINR	100.22	0.095
EURINR	85.295	0.085
USDJPY	112.96	-0.35
GBPUSD	1.3329	0.0005
EURUSD	1.1343	0.0002

Market Summary and News

- The European Central Bank's insistence that surging consumer prices won't endure is being tested so repeatedly that inflation now threatens to overshadow a meeting in two weeks time to revamp pandemic stimulus. That decision was meant to ease the path away from emergency bond-buying while reassuring investors that support won't be abruptly removed. Instead, President Christine Lagarde may find the focus has switched to when the ECB may tighten monetary policy, just as other major central banks signal they'll need to act to curb inflation. She and her colleagues have insisted soaring prices are fueled by temporary factors such as energy costs that will soon start to fade. In contrast, Federal Reserve Chair Jerome Powell enacted a hawkish pivot on Tuesday, suggesting the word "transitory" should no longer be used to describe what's happening. Hours earlier, euro-zone inflation exceeded all forecasts to reach 4.9%, with a core gauge stripping out volatile components also at a record for the era of the single currency. Meanwhile, the omicron corona virus variant is feeding fears of further price-stoking supply bottlenecks, even before scientists determine its health risks. Lagarde's insistence that inflation is a temporary phenomenon is under severe strain. The political pressure on the ECB to act is ratcheting higher.
- The emergence of the omicron variant of the coronavirus may add enough uncertainty to the U.K. economic outlook to delay a widely-anticipated interest rate rise this month. The Bank of England's decision on Dec. 16 was always set to be a close call, and the new strain of Covid-19 has surpassed the labour market as the key variable likely to guide the speed of the recovery. With Prime Minister Boris Johnson's government tightening travel restrictions and reimposing orders to wear masks in public, concern is mounting that fear of the new variant could hit confidence and add to the headwinds facing the economy. That's drawing attention away from a leap in inflation that's well above the BOE's 2% target, which had seemed to leave the institution on course to be the first major central bank to hike rates since the pandemic began. The current economy is ready for lift off and the question is do BOE wait to assess the risks. The detection of the omicron variant of Covid-19 in the U.K. has lowered the chances of the Bank of England lifting interest rates in December. The central bank will be watching closely for any science that sheds light on how effective the current vaccines are at preventing severe disease. If the news is positive, it may still be minded to tighten later this month.
- US jobless claims moved higher in the week ending Nov. 27 on the heels of the lowest reading in about 50 years. The payback was in store as seasonal adjustment quirks surrounding the Thanksgiving holiday exaggerated the prior drop. But the overall downtrend remained intense. Claims are near the 218k average in 2019, when the unemployment rate hit 3.5%, the lowest level since 1969. Labor supply constraints may intensify on account of the omicron variant, if workers turn hesitant about returning. That may actually pull new claims lower, as firms hold on to existing staff. Covid safety concerns were included as sources limiting labor supply in the Federal Reserve's latest Beige Book. Yet, seasonal hiring plans were up in November. Initial jobless claims increased to 222k in the week ended Nov. 27, up from 194k prior. The consensus called for an increase to 240k, with forecasts ranging 200k-269k. The Labor Department estimated that claims unadjusted for seasonal effects would normally decrease 69k in the week, after having anticipated a rise of 89k the prior week. The movements in both weeks were smaller than anticipated. There were about 2.3 million total continued weeks claimed in the week ended Nov. 13, down from around 21 million in the same period a year earlier.

Key Market Levels for the Day

	S3	S2	S1	R1	R2	R3
USDINR Spot	74.5000	74.6800	74.8000	75.1200	75.2500	75.3800



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Nirmal Bang Securities - Bullion Technical Market Update

Gold Market Update



Market View

Open	47798
High	47833
Low	47350
Close	47401
Value Change	-471
% Change	-0.98
Spread Near-Next	0
Volume (Lots)	7743
Open Interest	10581
Change in OI (%)	7.62%

Gold - Outlook for the Day

In gold we have seen fall in yellow metal from 1785-1760 it seems that the prices are likely to take support around 1740-35. We recommend going long for target 1785-1790.

SELL GOLD FEB (MCX) AT 47630 SL 47880 TARGET 47300/47200

Silver Market Update



Market View

Open	61380
High	61480
Low	60751
Close	61123
Value Change	-184
% Change	-0.3
Spread Near-Next	0
Volume (Lots)	10845
Open Interest	12941
Change in OI (%)	1.38%

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	75.195
High	75.2675
Low	75.075
Close	75.19
Value Change	0.045
% Change	0.06
Spread Near-Next	-1.0568
Volume	2369505
Open Interest	1725915
Change in OI (%)	-10.66%

USDINR - Outlook for the Day

USDINR had a weak open at 75.19 followed by a zig zag momentum with closure at open. On the daily chart, the pair has formed a flat candle with sideways closure indicating consolidation ahead. 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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