# India Bullion and Jewellers Association Ltd. Since1919 beyond





#### **Daily Bullion Physical Market Report**

#### **Daily India Spot Market Rates**

Description Purity AM PM   Gold 999 48204 48250   Gold 995 48011 48057   Gold 916 44155 44197
Gold 995 48011 48057
<b>Gold</b> 916 44155 44197
510 44133 44131
<b>Gold</b> 750 36153 36188
<b>Gold</b> 585 28199 28226
<b>Silver</b> 999 63004 63557

\* Rates are exclusive of GST as of 19<sup>th</sup> January 2021 Gold in Rs/10 Gm & Silver in Rs/Kg

#### **COMEX Futures Watch**

Description	Contract	Close	Change	% Chg
Gold(\$/oz)	Feb	1845.5	30.6	1.69
Silver(\$/oz)	Mar	24.23	0.74	3.15

#### **ETF Holdings as on Previous Close**

ETF	In Tons	Net Change
SPDR Gold	976.21	0.00
iShares Silver	16,443.50	0.00

#### Weekly CFTC Positions

	Long	Short	Net
Gold	1,34,492	46,633	87,859
Silver	50,466	32,579	17,890

Index	Close	Net Change	% Change
MCX iCOMDEX Bullion	14138.88	180.18	1.27%

#### **Macro-Economic Indicators**

Time	Country	Event	Forecast	Previous	Impact
20 <sup>th</sup> January 07.00PM	United States	Philly Fed Manufacturing Index	18.9	15.4	Medium
20 <sup>th</sup> January 07.00PM	United States	Unemployment Claims	227K	230K	Medium
20 <sup>th</sup> January 08.30PM	United States	Existing Home Sales	6.42M	6.46M	Medium

## Gold and Silver 999 Watch

Date	Gold*	Silver*
19 <sup>th</sup> January 2022	48250	63557
18 <sup>th</sup> January 2022	48122	61602
17 <sup>th</sup> January 2022	48142	61759
14 <sup>th</sup> January 2022	48135	61859

The above rates are IBJA PM Rates

\*Rates are exclusive of GST

#### **Bullion Futures DGCX**

Description	Contract	LTP
Gold (\$/oz)	27th January 2022	1842.9
Gold Quanto	24th February 2022	48397
Silver (\$/oz)	27th January 2022	24.24

#### **Gold and Silver Fix**

Description	LTP
Gold London AM Fix(\$/oz)	1817.5
Gold London PM Fix(\$/oz)	1826.95
Silver London Fix(\$/oz)	23.78

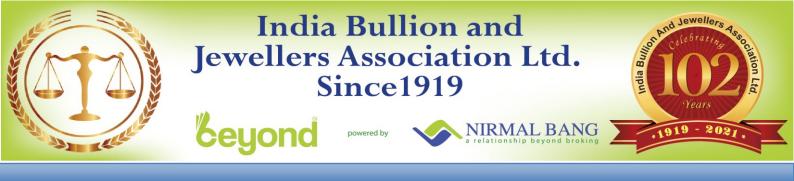
#### **Gold Ratio**

Gold Silver Ratio	76.16
Gold Crude Ratio	21.22



Date: 20<sup>th</sup> January 2022





#### Nirmal Bang Securities - Daily Bullion News and Summary

- Gold held near the highest level in almost two months amid demand for an inflation hedge, while the bond market sell-off stalled and U.S. equities continued to retreat. President Joe Biden said it's the Federal Reserve's job to rein in the fastest pace of inflation in decades, and supported the central bank's plans to scale back monetary stimulus. The yield on 10-year Treasuries slipped from the highest level since January 2020, while the S&P 500 fell 1% Wednesday. Geopolitical tensions are also supporting demand for the haven asset. Biden said he thinks Vladimir Putin will "move in" on Ukraine after amassing more than 100,000 troops on the nation's border, although he suggested a full-scale invasion may not be in the Russian leader's plans. The U.S. president also said this week that he's not ready to lift tariffs his predecessor imposed on Chinese imports. Gold is holding above \$1,800 an ounce after dropping for the first time in three years in 2021 as central banks globally started dialing back on pandemic-era stimulus. Still, bullion's traditional role as an inflation hedge and the sell-off in technology stocks is supporting demand as investors seek refuge in the haven asset.
- Exchange-traded funds cut 42,455 troy ounces of gold from their holdings in the last trading session, bringing this year's net sales to 6,959 ounces, according to data compiled by Bloomberg. The sales were equivalent to \$77 million at yesterday's spot price. Total gold held by ETFs was little changed this year to 97.9 million ounces. Gold declined 0.8 percent this year to \$1,813.74 an ounce and by 0.3 percent in the latest session. The holdings of State Street's SPDR Gold Shares, the biggest precious-metals ETF, were little changed in the last session. The fund's total of 31.4 million ounces has a market value of \$56.9 billion. ETFs also cut 209,722 troy ounces of silver from their holdings in the last trading session, bringing this year's net purchases to 750,418 ounces. This was the third straight day of declines.
- Britain's inflation rate surged unexpectedly to the highest since 1992, sharpening a squeeze on households and adding to pressure on the government and Bank of England to respond. Consumer prices surged 5.4% from a year ago in December, driven by a broad increase in the cost of food, drink, restaurant meals and furniture, the Office for National Statistics said Wednesday. Economists had expected a reading of 5.2%. Household spending power is weakening, with the price of everyday goods and services rising faster than wages. Policy makers at the central bank are weighing another increase in interest rates as early as next month, and ministers are looking at ways to soften a surge in utility bills due to hit in April. "I understand the pressures people are facing with the cost of living, and we will continue to listen to people's concerns as we have done throughout the pandemic," Chancellor of the Exchequer Rishi Sunak said in a statement. The strength of inflation is fanning speculation of a rapid cycle of tightening for monetary policy. Strong figures from the jobs market yesterday reinforced that outlook. The BOE last month delivered the first increase since the start of the pandemic and may move again on Feb. 3.

**Fundamental Outlook:** Gold and silver prices are trading marginally lower today on international bourses. We expect precious metals prices on Indian bourses to trade range-bound to higher for the day. We recommend buying on dips in intra-day trading sessions in precious metals as investors weighed the outlook for monetary policy against the risks posed by the omicron virus variant to the global economic recovery. The Federal Reserve is likely to raise interest rates in March, with officials saying they may need to implement hikes faster than expected to curb the hottest inflation since the 1980s.

Key Market Levels for the Day							
	Month	<b>S3</b>	S2	<b>S1</b>	R1	R2	R3
Gold – COMEX	February	1715	1730	1750	1800	1825	1840
Silver – COMEX	March	21.40	21.60	21.90	22.40	22.65	22.80
Gold – MCX	February	48000	48200	48350	48500	48700	48850
Silver - MCX	March	62800	63400	63900	64550	65200	65850



#### Nirmal Bang Securities - Daily Currency Market Update

**Dollar index** 

LTP/Close	Change	% Change
95.51	-0.22	-0.23

10 YR Bonds	LTP	Change
United States	1.8646	-0.0088
Europe	-0.014	0.006
Japan	0.144	0.001
India	6.6	-0.027

#### **Emerging Market Currency**

Currency	LTP	Change
Brazil Real	5.4461	-0.122
South Korea Won	1191.4	1.25
Russia Ruble	76.2094	-0.757
Chinese Yuan	6.3451	-0.0079
Vietnam Dong	22715	-40
Mexican Peso	20.506	0.1009

#### **NSE Currency Market Watch**

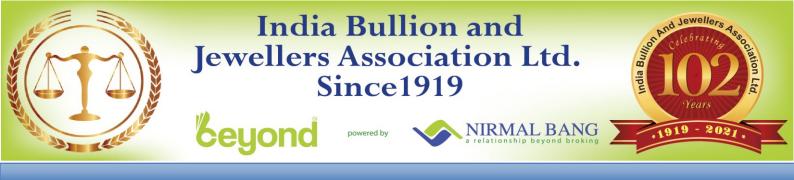
Currency	LTP	Change
NDF	74.7	-0.01
USDINR	74.49	-0.19
JPYINR	65.085	-0.0375
GBPINR	101.545	-0.09
EURINR	84.5575	-0.4975
USDJPY	114.45	-0.16
GBPUSD	1.3632	0.0019
EURUSD	1.1346	-0.0046

#### **Market Summary and News**

More than 10% of goods and services in the average British shopping basket are rising in cost at a double-digit pace. Gasoline, electricity, natural gas, second-hand cars and items for babies are among the goods whose price is rising most quickly, according to data from the Office for National Statistics released Wednesday. The figures highlight the cost-of-living crisis hitting consumers, which is threatening to drag down the pace of the recovery and force the Bank of England to raise interest rates again. The headline rate of inflation hit a three-decade high of 5.4% last month. About 13% of the goods and services tracked by the ONS to produce the consumer price index are rising by 10% or more from a year ago. Staples including eggs, butter, milk, beef, lamb and crisps are seeing price gains that outstrip the headline rate, the figures show. Thus, now there's more at stake than an interest-rate hike at next month's Bank of England meeting, giving extra reason to correctly call the decision from the increasingly unpredictable central bank. If it pulls the trigger and raises interest rates to 0.5%, that would be the first back-to-back hikes since 2004. It also opens the door for the BOE to start reducing its record balance sheet by stopping the reinvestment of expired bonds. That would affect 28 billion pounds (\$38 billion) of gilts maturing in March. But while rate increases are a known quantity, so-called quantitative tighteningis uncharted territory. For more than a decade, bond holdings have only moved in one direction, meaning there's no playbook for what comes next, when the BOE is no longer the biggest buyer in the market. That has specific implications for the government, creating the risk of a rapid increase in borrowing costs that dents Chancellor of the Exchequer Rishi Sunak's plans to restore order to the public finances.

- India's rupee tracked gains in Asian emerging market currencies, buoyed by a weaker dollar. Bonds also reversed early losses. USD/INR falls 0.2% to 74.4313, snapping three days of gains. The rupee is following cues from regional peers, which mostly advanced against the dollar. 10-year yields fell by 3bps to 6.60%, reversing early losses for a second day. RBI keep some buying support for the 10-year bonds. Intervention tends to increase when yields climb higher than 6.60%. The others category which typically includes the central bank has shown net buying of 8.7b rupees (\$116.9 million) in the past three trading sessions according to CCIL data. India's federal budget, due to be presented on Feb. 1, is likely to provide more clarity on the tax issues preventing government bonds from being listed on the Euroclear platform, according to analysts at Morgan Stanley. India's consumer prices this year are expected to grow the fastest among the world's 10 largest economies.
- Whether the dollar will keep moving in tandem with Treasury yields after a month of divergence is the number one theme for the currency market. Elevated volatility in the fixed-income space becomes once again a main market driver, and FX sees choppy price action driven by stop-loss hunting. Greenback is going through puzzling phase as there is lot of uncertainity ccompanied with it at the moment. Well, when that's the case, the dollar is often bought. It's still all about Fed expectations that got even more hawkish this week. The big risk event ahead is next week's FOMC meeting, and it could be that the market is preparing for policy makers to be even more hawkish than priced in as Treasuries hit fresh cycle lows. Fed is seen behind the curve would weigh on the greenback and that four hikes this year, one of them being a 50 basis-point increase, could be key for the central bank to keep investors' woes in check. There is a need Powell to deliver more than his peers over at the Bank of Japan did in terms of expectations if greenback agains want to return to the strong hold.

Key Market Levels for the Day						
	<b>S3</b>	<b>S2</b>	<b>S1</b>	R1	R2	R3
USDINR Spot	73.9000	74.0800	74.2000	74.5100	74.6600	74.7800



Nirmal Bang Securities - Bullion Technical Market Update



### Gold - Outlook for the Day

Gold prices last week saw a rally we can see immediate upside till 1840-50, support 1810-1805. Where we can buy the yellow metal for the target of 1850.

BUY GOLD FEB (MCX) AT 48200 SL 48000 TARGET 48500/48700

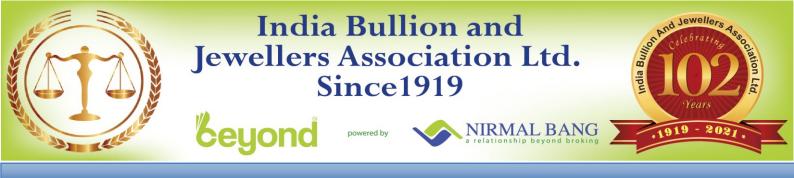


#### Silver Market Update

#### Silver - Outlook for the Day

Silver prices are now trading positive, it seems that the price is likely to take support around 22.40-50. It seems that we can buy around 22.50-70 for target 23.20-23.50 soon.

#### BUY SILVER MARCH (MCX) AT 63900 SL 63400 TARGET 64700/65200



Nirmal Bang Securities - Currency Technical Market Update

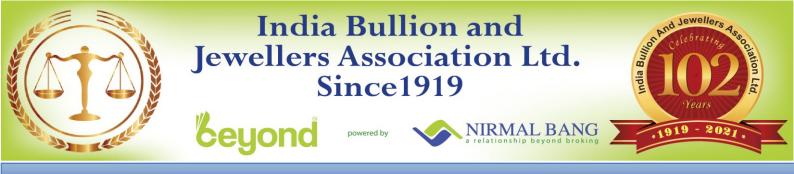
**USDINR Market Update** 



#### **USDINR - Outlook for the Day**

USDINR witnessed a positive open at 74.70 with a high of 74.80 followed by a profit taking momentum marking the low at 74.45 with closure near the same at 74.49. On the daily chart, the pair has formed a small red candle with a closure on a weak note indicating profit taking for now. The pair has given closure above short term but holding strong resistance at medium and long term moving averages. USDINR, if gives breakdown to 74.42 the momentum will continue to trade on a weaker note towards 74.20 – 74.05. But momentum above 74.55 would lead momentum towards 74.75 – 74.95. The daily strength indicator RSI and momentum oscillator Stochastic both are both in positive zone indicating bullish sentiment.

Key Market Levels for the Day						
	S3	<b>S2</b>	<b>S1</b>	R1	R2	R3
USDINR January	74.1800	74.3000	74.6000	74.7800	74.9700	74.1800



Nirmal Bang Securities – Commodity Research Team

Name	Designation	E-mail
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
Smit Bhayani	Research Associate	smit.bhayani@nirmalbang.com
Riya Singh	Currency Research Analyst	riya.singh@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.

Address: Nirmal Bang Securities Pvt. Ltd., B2, 301 / 302, 3rd Floor, Marathon Innova, Opp. Peninsula Corporate Park, Ganpatrao Kadam Marg, Lower Parel (W), Mumbai - 400 013, India