



India Bullion and Jewellers Association Ltd.

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Daily Bullion Physical Market Report

Date: 21st January 2022

Daily India Spot Market Rates

Description	Purity	AM	PM
Gold	999	48620	48705
Gold	995	48425	48510
Gold	916	44536	44614
Gold	750	36465	36529
Gold	585	28443	28492
Silver	999	64404	64476

* Rates are exclusive of GST as of 20th January 2021
Gold in Rs/10 Gm & Silver in Rs/Kg

Gold and Silver 999 Watch

Date	Gold*	Silver*
20 th January 2022	48705	64476
19 th January 2022	48250	63557
18 th January 2022	48122	61602
17 th January 2022	48142	61759

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

COMEX Futures Watch

Description	Contract	Close	Change	% Chg
Gold(\$/oz)	Feb	1844.9	-0.6	-0.03
Silver(\$/oz)	Mar	24.72	0.48	2

Bullion Futures DGCX

Description	Contract	LTP
Gold (\$/oz)	27th January 2022	1840.5
Gold Quanto	24th February 2022	48400
Silver (\$/oz)	27th January 2022	24.64

ETF Holdings as on Previous Close

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

Gold and Silver Fix

Description	LTP
Gold London AM Fix(\$/oz)	1836.7
Gold London PM Fix(\$/oz)	1845.35
Silver London Fix(\$/oz)	24.23

Weekly CFTC Positions

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

Gold Ratio

Gold Silver Ratio	74.64
Gold Crude Ratio	21.57

MCX Indices

Index	Close	Net Change	% Change
MCX iCOMDEX Bullion	14319.06	58.55	0.41%

Macro-Economic Indicators

Time	Country	Event	Forecast	Previous	Impact
21 st January 08:30PM	United States	CB Leading Index m/m	0.8%	1.1%	Low
21 st January 10:00PM	United States	Treasury Sec Yellen Speaks	-	-	Medium



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Nirmal Bang Securities - Daily Bullion News and Summary

- Gold wavered after touching the highest in almost two months as the dollar rebounded. The metal rose earlier as signs that the omicron variant is having a bigger impact on the labour market helped boost demand for bullion as a store of value. Those gains diminished as a strengthening dollar sapped demand. Gold has managed to gain this month even as central banks prepare to dial back stimulus and inflation-adjusted bond yields rise. Whether it holds its gains will depend on it garnering interest from investors. Holdings in exchange-traded funds back by the metal rose the most since November on Wednesday, according to an initial tally by Bloomberg. President Joe Biden said it's the Federal Reserve's job to rein in the fastest pace of inflation in decades, and supported its plans to scale back monetary stimulus. Policymakers for the central bank meet next week.
- Exchange-traded funds added 279,834 troy ounces of gold to their holdings in the last trading session, bringing this year's net purchases to 272,875 ounces, according to data compiled by Bloomberg. This was the biggest one-day increase since Nov. 19. The purchases were equivalent to \$515 million at yesterday's spot price. Total gold held by ETFs rose 0.3 percent this year to 98.2 million ounces, the highest level since Dec. 13. Gold advanced 0.6 percent this year to \$1,840.54 an ounce and by 1.5 percent in the latest session. State Street's SPDR Gold Shares, the biggest precious-metals ETF, boosted its holdings by 168,110 ounces in the last session. The fund's total of 31.6 million ounces has a market value of \$58.1 billion. ETFs cut 553,445 troy ounces of silver from their holdings in the last trading session, bringing this year's net purchases to 196,973 ounces. This was the fourth straight day of declines.
- The European Central Bank has "every reason" not to respond as forcefully as the Federal Reserve to soaring consumer prices, according to President Christine Lagarde. "We're all in very different situations," Lagarde told the France Inter radio station Thursday in an interview. Inflation is "clearly weaker" in the euro area, while the region's economic recovery is also not as advanced as in the U.S., she said. "We have every reason to not react as quickly and as abruptly as we could imagine the Fed might," Lagarde said. "But we have started to respond and we, of course, stand ready to respond with monetary policy if figures, data, facts, require it." The ECB has come under pressure to act after inflation in the currency bloc hit a record 5% last month. But while officials have agreed to wind down pandemic stimulus, they say an interest-rate increase is highly unlikely this year since the current bout of inflation is driven by supply shocks and a spike in energy costs, and should gradually ease. Under current conditions and inflation forecasts, "an increase in interest rates is not expected in 2022," ECB Governing Council member Pablo Hernandez de Cos told Spanish television broadcaster TVE in a separate interview on Thursday.

Fundamental Outlook: Gold and silver prices are trading lower today on international bourses. We expect precious metals prices on Indian bourses to trade range-bound to higher for the day. Gold prices are expected to remain under pressure as the dollar strengthens on plans to scale back monetary stimulus by the Federal Reserve.

Key Market Levels for the Day

	Month	S3	S2	S1	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	47900	48050	48300	48570	48800	49000
Silver - MCX	March	63600	64100	64700	65400	66000	66650



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Nirmal Bang Securities - Daily Currency Market Update

Dollar index

LTP/Close	Change	% Change
95.74	0.23	0.24

Bond Yield

10 YR Bonds	LTP	Change
United States	1.804	-0.0606
Europe	-0.027	-0.013
Japan	0.147	0.003
India	6.614	0.014

Emerging Market Currency

Currency	LTP	Change
Brazil Real	5.4367	-0.0094
South Korea Won	1192.15	0.75
Russia Ruble	76.6905	0.4811
Chinese Yuan	6.3411	-0.004
Vietnam Dong	22676	-39
Mexican Peso	20.5363	0.0303

NSE Currency Market Watch

Currency	LTP	Change
NDF	74.72	0
USDINR	74.55	0.06
JPYINR	65.2125	0.1275
GBPINR	101.4825	-0.0625
EURINR	84.5725	0.015
USDJPY	114.32	-0.13
GBPUSD	1.3611	-0.0021
EURUSD	1.1339	-0.0007

Market Summary and News

- India's rupee gave up early gains as the impact of dollar bond inflows was overshadowed by concern about rising oil prices. Bonds also fell. The rupee is currently experiencing a roller-coaster ride. It would surely be a contest of strength between corporate and bank bond selling inflows and higher yields and crude oil outflows. As a result, volatility will remain higher on both sides. USD/INR most likely will be trading in a range of 74.20 to 74.70. The budget due Feb. 1 will try to strike a balance by boosting capital expenditure and targeting a lower deficit-to-GDP ratio in the year starting April. Even so, total spending growth looks likely to slow, and that together with a probable rise in bond yields will add headwinds to growth.
- India has two competing fiscal objectives which is to provide enough support to keep a fragile recovery going while reducing a blown-out deficit. The budget due Feb. 1 will try to strike a balance by boosting capital expenditure and targeting a lower deficit-to-GDP ratio in the year starting April. Even so, total spending growth looks likely to slow, and that together with a probable rise in bond yields will add headwinds to growth. An unprecedented jump in tax revenues in the year through March 2022 should allow Prime Minister Narendra Modi's government to fund its additional Covid-19 expenditures, while reducing the deficit to 6.5% of GDP in fiscal 2022, narrower than the planned 6.8%. Looking ahead to fiscal 2023, it won't be able to count on such flush coffers, expectation is that the tax revenue growth to be muted as wholesale price inflation is likely to sink due to a high year-earlier base. This is likely to mean lower nominal growth in fiscal 2023 hitting tax revenue. Also, the government could further rein in the deficit to 5.7% of GDP in fiscal 2023 to prevent a sharper rise in its borrowing costs. It will probably do that by cutting current expenditures on Covid-19 related measures as the need for pandemic spending wanes. The government is likely to continue to improve the quality of its spending by pushing for a greater increase in capital expenditures. A focus on investment would mean a bigger multiplier effect in other words, more bang for every rupee spent. Even so, a cut in total spending growth would damp the economy's expansion in the near term.
- Higher-than-budgeted nominal GDP growth for fiscal 2022 driven by the fastest wholesale price inflation in three decades has buoyed tax collections. The net tax revenue receipts of the central government could exceed the budgeted amount of 15.5 trillion rupees by 2.5 trillion rupees in fiscal 2022. Non-tax revenue collections for the central government are set to exceed budgeted estimates by 770 billion rupees buoyed by higher profit transfers from the central bank and increased dividends paid by public sector enterprises, according to our estimates. Thus assuming disinvestment receipts of 1.1 trillion rupees, based on the IPO of Life Insurance Company successfully proceeding in the current quarter, fetching the government about 1 trillion rupees. The disinvestment target for fiscal 2022 is still likely to fall short by 650 billion rupees. In fiscal 2022, the current expenditures could exceed the budget target by 2.6 trillion rupees due to additional food and fertilizer subsidies, rural employment guarantees and an equity infusion into Air India Assets Holding Limited. The absolute size of the budget deficit in fiscal 2022 is likely to be in line with budgeted numbers, but the shortfall as a proportion of GDP ratio should come in at 6.5%, below the 6.8% target. The main reason is faster-than-budgeted nominal growth, which is forecast at 17.6% according to the first advance estimate of national accounts, higher than the 14.4% assumed in budget estimates.

Key Market Levels for the Day

	S3	S2	S1	R1	R2	R3
USDINR Spot	73.9000	74.0800	74.2000	74.5100	74.6600	74.7800



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Nirmal Bang Securities - Bullion Technical Market Update

Gold Market Update



Market View

Open	48379
High	48557
Low	48310
Close	48380
Value Change	3
% Change	0.01
Spread Near-Next	76
Volume (Lots)	3669
Open Interest	4256
Change in OI (%)	-11.35%

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 48300 SL 48050 TARGET 48570/48800

Silver Market Update



Market View

Open	64502
High	65499
Low	64385
Close	65379
Value Change	974
% Change	1.51
Spread Near-Next	586
Volume (Lots)	12730
Open Interest	8134
Change in OI (%)	0.68%

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 64700 SL 64100 TARGET 65700/66300



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Nirmal Bang Securities - Currency Technical Market Update

USDINR Market Update



Market View

Open	74.5125
High	74.5925
Low	74.355
Close	74.55
Value Change	0.06
% Change	0.08
Spread Near-Next	0
Volume	2168661
Open Interest	2147897
Change in OI (%)	-2.59%

USDINR - Outlook for the Day

USDINR witnessed a flat open at 74.51 followed by a zig zag momentum for the entire session. The pair managed to give closure in flat green at 74.55. On the daily chart, the pair has formed a small flat candle with long lower shadow indicating support from lower levels. The pair has given closure above short term but holding strong resistance at medium and long term moving averages. USDINR, if gives breakdown to 74.48 the momentum will continue to trade on a weaker note towards 74.30 – 74.15. 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	S2	S1	R1	R2	R3
USDINR January	74.0000	74.1800	74.3000	74.6000	74.7800	74.9700



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