



India Bullion and Jewellers Association Ltd.

Since 1919

beyond

powered by

NIRMAL BANG
a relationship beyond broking



Daily Bullion Physical Market Report

Date: 22nd October 2021

Daily India Spot Market Rates

Description	Purity	AM	PM
Gold	999	47586	47469
Gold	995	47395	47279
Gold	916	43589	43482
Gold	750	35690	35602
Gold	585	27838	27769
Silver	999	65444	65000

* Rates are exclusive of GST as of 21st October 2021
Gold in Rs/10 Gm & Silver in Rs/Kg

Gold and Silver 999 Watch

Date	Gold*	Silver*
21 st October 2021	47469	65000
20 th October 2021	47548	64496
18 th October 2021	47384	63110
14 th October 2021	48125	63290

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

COMEX Futures Watch

Description	Contract	Close	Change	% Chg
Gold(\$/oz)	Dec	1781.90	-3.00	-0.17
Silver(\$/oz)	Sep	24.17	-0.27	-1.12

Bullion Futures DGCX

Description	Contract	LTP
Gold (\$/oz)	26th November 2021	1784.6
Gold Quanto	25th November 2021	47424
Silver (\$/oz)	26th November 2021	24.21

ETF Holdings as on Previous Close

ETF	In Tons	Net Change
SPDR Gold	978.07	-2.03
iShares Silver	17,000.01	0.00

Gold and Silver Fix

Description	LTP
Gold London AM Fix(\$/oz)	1785.30
Gold London PM Fix(\$/oz)	1779.30
Silver London Fix(\$/oz)	24.23

Weekly CFTC Positions

	Long	Short	Net
Gold	1,43,474	73,657	69,817
Silver	47,326	42,354	4,972

Gold Ratio

Gold Silver Ratio	73.72
Gold Crude Ratio	21.60

MCX Indices

Index	Close	Net Change	% Change
MCX iCOMDEX Bullion	14327.03	-56.52	-0.39%

Macro-Economic Indicators

Time	Country	Event	Forecast	Previous	Impact
22 nd October 07:15PM	United States	Flash Manufacturing PMI	60.5	60.7	Medium
22 nd October 07:15PM	United States	Flash Services PMI	55.3	54.39	Medium
22 nd October 07:30PM	United States	FOMC Member Daly Speaks	-	-	Low
22 nd October 08:30PM	United States	Fed Chair Powell Speaks	-	-	High



India Bullion and Jewellers Association Ltd.

Since 1919



powered by



Nirmal Bang Securities - Daily Bullion News and Summary

- Gold wavered as investors weighed comments from Federal Reserve officials indicating that interest rate hikes aren't imminent. Investors see the precious metal as a long-term hedge against inflation, which is why bullion prices are inversely correlated to the Fed rate. Cleveland Fed President Loretta Mester said Wednesday that U.S. interest rate increases aren't coming "any time soon", though the central bank will act if warranted by inflation expectations, while Governor Randal Quarles said he favors an if the near-term path of rates is higher, and there's little risk of severe market volatility, then why own a non-yielding asset? And that equation doesn't change just because the dollar's own haven bid softens. Gold is down 6.3% this year, a rare loss in a Bloomberg Commodity Index that's on course for the best year since 1979. The metal is trading significantly below its modeled value, based on the dollar, real rates and ETF holdings. And while there are other elements that matter at the margin, like Indian wedding demand, much of the premium or discount to the predicted price can be explained by the X-factor of investor sentiment toward commodity havens. This model provides confidence in describing current sentiment toward gold as negative, with a reading fairly consistently below zero since May of last year. The previous time this condition held to the same extent was during the taper tantrum of 2013. But markets are far from throwing a tantrum, and one would have to assume that, if a November Fed taper isn't completely in the price, then at least it's become the market base case. It seems unlikely we're going to get the investor panic that would benefit gold. Traders are justified in not looking for a topside breakout as the next move. The corollary is that, at some point, the steady trickle of ETF outflows turns into a flood.
- If the near-term path of rates is higher, and there's little risk of severe market volatility, then why own a non-yielding asset? And that equation doesn't change just because the dollar's own haven bid softens. Gold is down 6.3% this year, a rare loss in a Bloomberg Commodity Index that's on course for the best year since 1979. The metal is trading significantly below its modeled value, based on the dollar, real rates and ETF holdings. And while there are other elements that matter at the margin, like Indian wedding demand, much of the premium or discount to the predicted price can be explained by the X-factor of investor sentiment toward commodity havens. This model provides confidence in describing current sentiment toward gold as negative, with a reading fairly consistently below zero since May of last year. The previous time this condition held to the same extent was during the taper tantrum of 2013. But markets are far from throwing a tantrum, and one would have to assume that, if a November Fed taper isn't completely in the price, then at least it's become the market base case. It seems unlikely we're going to get the investor panic that would benefit gold. Traders are justified in not looking for a topside breakout as the next move. The corollary is that, at some point, the steady trickle of ETF outflows turns into a flood.
- Nearly half of New York manufacturers and one-third of services firms expect supply-chain challenges to worsen in the month ahead, according to a survey from the Federal Reserve Bank of New York. Moreover, less than 10% of businesses expect the supply of materials to improve in the next month, with the outlook particularly pessimistic among firms in the manufacturing, construction, retail, transportation and warehousing, and leisure and hospitality industries, the New York Fed said. When asked what actions they had taken in the past three months in response to supply disruptions, the most widely-reported action, in both surveys, was raising selling prices.

Fundamental Outlook: Gold and silver prices are trading slightly higher today on international bourses. We expect precious metals prices on Indian bourses to trade range-bound to slightly higher for the day. Buy on dips in intra-day trading session is advisable, as investors weighed concerns over inflationary pressures with signals from some Federal Reserve officials that interest- rate hikes aren't imminent. Bond traders are boosting expectations for U.S. inflation to rise to levels not seen in over a decade amid concern supply-chain bottlenecks and resurgent consumer demand will keep lifting the cost of goods and services.

Key Market Levels for the Day

	Month	S3	S2	S1	R1	R2	R3
Gold – COMEX	December	1670	1700	1740	1790	1810	1830
Silver – COMEX	December	23.10	23.45	23.70	24.20	24.50	24.75
Gold – MCX	December	46950	47200	47400	47480	47600	47780
Silver - MCX	December	63700	64300	64800	65400	66600	66550



India Bullion and Jewellers Association Ltd.

Since 1919

beyond

powered by

NIRMAL BANG
a relationship beyond broking



Nirmal Bang Securities - Daily Currency Market Update

Dollar index

LTP/Close	Change	% Change
93.77	0.21	0.23

Bond Yield

10 YR Bonds	LTP	Change
United States	1.7011	0.0444
Europe	-0.1030	0.0250
Japan	0.0910	-0.0030
India	6.3370	-0.0380

Emerging Market Currency

Currency	LTP	Change
Brazil Real	5.659	0.0608
South Korea Won	1177.15	2.5500
Russia Ruble	71.107	0.2665
Chinese Yuan	6.3932	0.0002
Vietnam Dong	22748	-10
Mexican Peso	20.3024	0.1002

NSE Currency Market Watch

Currency	LTP	Change
NDF	75.14	-0.01
USDINR	74.8825	-0.0775
JPYINR	65.6825	0.135
GBPINR	103.36	0.265
EURINR	87.19	-0.01
USDJPY	113.99	-0.27
GBPUSD	1.3807	0.0057
EURUSD	1.164	0.0005

Market Summary and News

- Indian government bonds gained on speculation that a recent rise in yields will prompt the central bank to intervene. The rupee was little changed. 10-year yields fell 4 bps to 6.34%, the most in nearly three months. "Rumors that the RBI may announce an Operation Twist-style open market operation spurred traders to take positions in 10-year bonds," says Vijay Sharma, executive vice president for fixed income at PNB Gilts Ltd. Recent increases in yield have been due entirely to higher U.S. Treasury yields and crude oil prices. India's fiscal situation is very stable with expenditure contained and revenue robust. If an Operation Twist is announced 10-year yields can drop to as low as 6.28%. "In recent weeks, higher U.S. rates have been the primary driver of higher Asia rates. But when we compare relative moves, we see clear differentiation on the basis of respective countries' exposures to oil/energy prices," Duncan Tan, a strategist at DBS Bank in Singapore wrote in a note.
- Macroprudential FX regulations can harm the ability of companies to hedge against currency risk, thus significantly reducing exports, according to a new study from the Federal Reserve of New York. "Importantly, this implies that macroprudential regulations can have a negative effect on real economic outcomes for nonfinancial firms, even if they mitigate financial sector vulnerabilities," wrote the New York Fed's Hyeon Jung. "To the best of my knowledge, this is the first paper to show that macroprudential FX regulations can affect the real side of the economy, especially exports, by creating a shortage of FX hedging instruments," Jung wrote. When there were less FX derivatives available as a result of these regulations, firms were less well-equipped to hedge against currency exposure, and had trouble finding an alternate hedge, which ultimately reduced exports among some firms, Jung wrote. The study analyzes South Korean regulations implemented in 2010 and 2011, including a limit on FX derivative positions, which provide a "natural experiment" due to the amount of data available, Jung wrote.
- Excessive short positioning and rising uncertainty ahead of central bank meetings are among factors that have traders adding yen calls. One-month risk reversals in dollar-yen have moved in favor of dollar puts after being bid for calls just a day ago. Skews are now bearish across tenors. Demand for yen calls comes amid extreme positioning, oversold technicals, a drop in oil, overnight weakness in the Nikkei and heightened expectations policymakers will need to address inflation concerns as pandemic concerns ease. Futures data showed open interest in yen contracts is near a three-year high. Traders also note a recent rise in yen basis with forward points moving in favor of the Japanese currency for a third day even as dollar rates rise. Three-month yen points reached a three-year high against the euro on Wednesday. Though there are few indications the Bank of Japan will move toward a restrictive policy when it meets next week, there is a possibility that central bank stimulus may be less forthcoming as infection rates slow and inflation firms.

Key Market Levels for the Day

	S3	S2	S1	R1	R2	R3
USDINR Spot	74.2500	74.4000	74.6000	74.8800	75.0000	75.1400



India Bullion and Jewellers Association Ltd. Since 1919

beyond

powered by

NIRMAL BANG
a relationship beyond broking



Nirmal Bang Securities - Bullion Technical Market Update



Gold Market Update

Market View

Open	47529
High	47596
Low	47340
Close	47404
Value Change	-95
% Change	-0.2
Spread Near-Next	133
Volume (Lots)	5213
Open Interest	11077
Change in OI (%)	-3.57%

Gold - Outlook for the Day

Gold prices trading supportive around 1760-50 so try to buy around 1750-40 and test 1780-1800. So we are recommending going long for a target of 1780-1800.

SELL GOLD DEC (MCX) AT 47500 SL 47670 TARGET 47200/47100

Silver Market Update



Market View

Open	65781
High	65925
Low	64923
Close	65013
Value Change	-594
% Change	-0.91
Spread Near-Next	627
Volume (Lots)	16125
Open Interest	9305
Change in OI (%)	0.63%

Silver - Outlook for the Day

Silver metal we believe that the commodity has seen a sharp rally and likely to continue. Try to buy on dips between 23.50-40 for target 24.30-50. Silver prices trading bullish and the immediate support is around the 23.70-50. So we are recommending going long for target 24.30-50.

SELL SILVER DEC (MCX) AT 65400 SL 66000 TARGET 64800/64500



India Bullion and Jewellers Association Ltd.

Since 1919



powered by



Nirmal Bang Securities - Currency Technical Market Update

USDINR Market Update



Market View

Open	74.93
High	74.9675
Low	74.725
Close	74.8825
Value Change	-0.0775
% Change	-0.1
Spread Near-Next	-0.7493
Volume	2455641
Open Interest	1682250
Change in OI (%)	-4.01%

USDINR - Outlook for the Day

USDINR witness a weak open at 75.22 followed by a strong bearish momentum marking the low at 74.87 with closure near the same at 74.97. On the daily chart, the pair has formed a red candle with a continued closure in lower lows and highs indicating weakness in the pair. The pair has managed to give closure below the short term moving average thus confirming the bearish bias. USDINR if breaches the support of 74.89 will go on to test the lows of 74.75 – 74.67 and one can go short for the same. However, an open above 75.03 could test the highs of 75.15-75.25. The daily strength indicator RSI and momentum oscillator Stochastic both have moved below their respective reference line indicating weakness in the pair.

Key Market Levels for the Day

	S3	S2	S1	R1	R2	R3
USDINR October	74.3500	74.5000	74.6600	75.0300	75.1800	75.3200



India Bullion and Jewellers Association Ltd. Since 1919

beyond

powered by

NIRMAL BANG
a relationship beyond broking



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