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# India Bullion and Jewellers Associations Ltd.

## Since 1919



## Daily Bullion Physical Market Report

**Date: 28<sup>th</sup> September 2023**

### Daily India Spot Market Rates

Description	Purity	AM	PM
Gold	999	58611	58454
Gold	995	58376	58220
Gold	916	53688	53544
Gold	750	43958	43841
Gold	585	34287	34196
Silver	999	71020	70930

Rate as exclusive of GST as of 27<sup>th</sup> September 2023 Gold is Rs/10 Gm & Silver in Rs/Kg

### Gold and Silver 999 Watch

Date	GOLD*	SILVER*
27 <sup>th</sup> September 2023	58454	70930
26 <sup>th</sup> September 2023	58933	71557
25 <sup>th</sup> September 2023	59129	73015
22 <sup>nd</sup> September 2023	59134	73175

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

### COMEX Futures Watch

Description	Contract	Close	Change	%Chg
Gold(\$/oz)	Dec 23	1890.90	-28.90	-1.51
Silver(\$/oz)	Dec 23	22.72	-0.47	-2.03

### ETF Holdings as on Previous Close

ETFs	In Tonnes	Net Change
SPDR Gold	872.77	-3.75
iShares Silver	13,966.51	19.96

### Gold and Silver Fix

Description	LTP
Gold London AM Fix(\$/oz)	1895.55
Gold London PM Fix(\$/oz)	1887.30
Silver London Fix(\$/oz)	22.79

### Bullion Futures DGCX

Description	Contract	LTP
Gold(\$/oz)	OCT. 23	1892.3
Gold Quanto	DEC. 23	57692
Silver(\$/oz)	DEC. 23	22.79

### Gold Ratio

Description	LTP
Gold Silver Ratio	83.21
Gold Crude Ratio	20.18

### Weekly CFTC Positions

	Long	Short	Net
Gold(\$/oz)	136376	69737	66639
Silver	33542	31186	2356

### MCX Indices

Index	Close	Net Change	% Chg
MCX iCOMDEX Bullion	15576.45	-196.71	-1.26 %

### Macro-Economic Indicators

Time	Country	Event	Forecast	Previous	Impact
28 <sup>th</sup> September 06:00 PM	United States	Final GDP q/q	2.2%	2.1%	High
28 <sup>th</sup> September 06:00 PM	United States	Unemployment Claims	214K	201K	High
28 <sup>th</sup> September 06:30 PM	United States	FOMC Member Goolsbee Speaks	-	-	Low
28 <sup>th</sup> September 07:30 PM	United States	Pending Home Sales m/m	-1.1%	0.9%	Medium
28 <sup>th</sup> September 10:30 PM	United States	FOMC Member Cook Speaks	-	-	Low
29 <sup>th</sup> September 01:30 AM	United States	Fed Chair Powell Speaks	-	-	High



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## India Bullion and Jewellers Associations Ltd. Since 1919



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

❖ Gold fell beneath \$1,900 an ounce as investors eyed a relentless surge in the greenback that's weighing on the precious metal. The dollar inched higher, gaining for a sixth straight session on Wednesday and hitting the highest since December 2022. The US currency's gains, driven by expectations that the Federal Reserve will keep monetary policy tight for longer than its peers, tend to pressure gold, often used as an alternative asset. The metal slipped below \$1,900 to the lowest intraday level since March. It has managed to avoid falling far beneath that key marker for much of this year despite a surge in inflation-adjusted bond yields that would usually cause it to slump. Dip-buying around that price level has been persistent, putting a floor under the market. Later in the week, traders will look to the Fed's favored inflation metric to provide direction for the precious metal. The PCE deflator is predicted to show an easing of price pressures, which could give US policymakers more room to avoid hiking rates again.

❖ Gold is holding up relatively well in the face of rising bond yields and dollar strength, but that may not last if Chinese investors slow purchases of the metal. Demand in China has been strong enough to lift prices in Shanghai well above those for gold in London or New York. Domestic sales of gold bars and coins increased 30% from a year ago, which suggests investment is the main purpose of the buying. Meanwhile holdings of gold in ETFs have been sliding since June, which has undermined the spot price. Indeed, total gold held by ETFs is at the lowest level since March 2020. Similarly, open interest on gold futures has declined from this year's highest levels which coincided with prices above \$2,000/oz. Should Treasury yields remain elevated through October that may overwhelm remaining gold bulls, driving prices toward the \$1,800 area.

❖ A US government shutdown or prolonged strike by automotive workers could slow the economy, meaning the Federal Reserve wouldn't have to use its tools to ease price growth, Minneapolis Fed President Neel Kashkari said. "If these downside scenarios hit the US economy, we might then have to do less with our monetary policy to bring inflation back down to 2% because the government shutdown or the auto strike may slow the economy for us," he said in an interview Wednesday on CNN. "I'm not hoping for that, but there's an interaction there." In a letter published online Tuesday, Kashkari — who votes on monetary policy this year — outlined two scenarios for the Fed's inflation response. In one, to which he assigned a 60% chance, the US central bank can bring inflation down to its 2% target without causing severe damage to the economy. In the other, price growth would be more entrenched and require further rate increases to bring price growth under control. "If our interest-rate increases are not slowing the economy the way that we expect, then there is that risk that we might have to go higher," he said on CNN. He made similar comments in a separate interview on Fox Business later Wednesday. Kashkari earlier this week said he is one of 12 officials who see another rate increase likely being needed this year. The other seven saw the Fed holding rates for the remainder of 2023, according to projections released after last week's meeting. In an interview Tuesday on CNBC, Kashkari said he sees rates staying flat in 2024 after another increase this year. "If we have to keep rates higher for longer it's because the economic fundamentals are even stronger than I appreciate and the flywheel is spinning," Kashkari said on CNBC. "It isn't obvious to me that mean that a recession is more likely, it just might mean that we need a higher rate path to get inflation back down to 2%." Officials last week left their benchmark interest rate unchanged in a range of 5.25% to 5.5%, the highest level in 22 years, and signaled rates will need to stay higher for longer to contain inflation.

❖ US investment-grade bonds have swung to a loss for the year as the Federal Reserve's determination to raise interest rates to counter inflation spreads pain across debt markets. The Bloomberg US Corporate Bond Index dropped 0.4% Wednesday, sending it into the red for the year after being up as much as 5% in early February. The gauge has slumped 2.7% in September, set for its biggest loss in seven months. The optimism many corporate-bond investors had at the start of 2023 has been shattered as a resilient US economy spurred the Fed to raise its benchmark by a full percentage point to 5.5% this year, versus expectations in December it would hike by half that amount. Treasury yields have jumped to multiyear highs this month, adding to concern refinancing costs will hurt corporates that have been holding out for borrowing costs to turn lower. September's decline in corporate bonds has been driven by a rout in Treasuries that's pushing up yields across credit markets. The spread on the corporate debt index over a similar Treasury gauge remains below 120 basis points, in line with its 10-year average. Companies are buying back bonds at the slowest pace since 2000, a hesitancy that may come back to haunt them as maturities pile up and interest rates stay higher for longer. Just 52 offers to repurchase outstanding debt have been made by North American firms, translating into \$22 billion actually bought, the least since at least 2008, data compiled by Bloomberg show. Investment-grade credit has been vulnerable since a US banking crisis broke out in March. The option-adjusted spread to Treasuries for a gauge of financial company bonds is near the widest in more than a decade relative to the spread for the broader corporate index.

**Fundamental Outlook:** Gold and silver prices are trading slightly lower on the international bourses. We expect gold and silver prices to trade range-bound to slightly lower for the day, as bullions found some support after plunging below \$1,900 an ounce on Wednesday, with declines driven by the dollar's rally to the highest since December. Expectations that the Federal Reserve will keep monetary policy tight for longer than its central bank peers have helped buoy the greenback, which typically moves in the opposite direction to the precious metal.

### Key Market Levels for the Day

Time	Month	S3	S2	S1	R1	R2	R3
Gold – COMEX	Dec	1850	1865	1880	1895	1910	1930
Silver – COMEX	Dec	22.30	22.45	23.60	22.75	23.95	23.15
Gold – MCX	Oct	57200	57500	57700	57850	58000	58200
Silver – MCX	Dec	68800	69400	70000	70800	71250	71700



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## Nirmal Bang Securities - Daily Currency Market Update

### Dollar Index

LTP/Close	Change	% Change
106.67	0.44	0.41

### Bond Yield

10 YR Bonds	LTP	Change
United States	4.6075	0.0719
Europe	2.8400	0.0350
Japan	0.7410	0.0000
India	7.1700	0.0260

### Emerging Market Currency

Currency	LTP	Change
Brazil Real	5.0442	0.0536
South Korea Won	1349.4	0.7000
Russia Rubble	97.0761	0.1325
Chinese Yuan	7.3118	0.0006
Vietnam Dong	24398	13
Mexican Peso	17.6704	0.1232

### NSE Currency Market Watch

Currency	LTP	Change
NDF	83.38	0
USDINR	83.33	-0.055
JPYINR	56.22	-0.1925
GBPINR	101.2475	-0.4175
EURINR	88.0275	-0.4675
USDJPY	148.19	0.39
GBPUSD	1.2141	-0.0041
EURUSD	1.0568	-0.0058

### Market Summary and News

❖ Indian bond traders will look forward to the 390-billion-rupee (\$4.7 billion) bond auction on Thursday in view of the change in a bank holiday. 10-year yields rose 3bps to 7.17% on Wednesday. NOTE: India's bond, FX markets will remain operational on both Sept. 28 and Sept. 29 in view of the change in bank holiday, the central bank said in a statement late Wednesday. FTSE Russell to review India's potential inclusion in its emerging market debt index on Sept 28; currently on watch list for potential inclusion; decision due late US hours. USD/INR little changed at 83.2288 on Wednesday. Implied opening from forwards suggest spot may start trading around 83.2715. "The inclusion of certain Indian sovereign bonds in key emerging-market bond indexes managed by JPMorgan will support a diversification of the investor base for" bonds, according to Fitch Ratings. This could serve to lower funding costs slightly, and support further development of domestic capital markets, but direct positive effects on India's credit profile will be marginal in the near term.

❖ Yields on Japan's 20-year government bonds rose to their highest level since May 2014 as a selloff hits sovereign debt globally. The yield climbed 1.5 basis points to 1.475% as of 10:23 a.m. in Tokyo. That followed rises in Treasury 30-year bond yields on expectations that the Federal Reserve will hold borrowing costs high for longer. While Bank of Japan Governor Kazuo Ueda tamped down speculation of a near-term interest rate hike in remarks on Sept. 22, bets persist that the BOJ will bring its negative-rate policy to an end as early as March. Investors worldwide are scrutinizing upticks in Japan's yields on concerns that they may lead to institutions from life insurers to pension funds to cut back their massive holdings of overseas debt, including US Treasuries and securities from Australia to Europe.

❖ The dollar rises for a sixth day as investors assessed the prospect of that US interest rates will remain elevated. The euro among worst performers in the Group-of-10 currencies, touching the weakest level since early January. The Bloomberg Dollar Spot Index advanced as much as 0.6%, highest since Nov. 30, heading for a sixth day of gains for the first time in a year. Greenback has been buoyed by prospects that its real yield advantage will widen as the Federal Reserve keeps policy restrictive. Nevertheless, the US government has been unable to forge an agreement to avoid a partial shutdown on Oct. 1, which would cost federal contractors up to \$1.9 billion daily in lost and delayed revenue. The Federal Reserve may end up needing to do less with the monetary policy if the shutdown hits the economy, according to Minneapolis Fed President Neel Kashkari. An extended closure will be "enough to derail the doom-loop of rising yields, rising dollar, still-OK economic data," said Kit Juckes, chief foreign-exchange strategist at Societe Generale in London. He sees BBDXY falling 3% by year end. "The market is finally coming to grips with the fact that the European Central Bank and the Bank of England are likely done tightening and the Bank of Japan is nowhere near starting it," said Win Thin, global head of currency strategy at Brown Brothers Harriman & Co. in New York. EUR/USD fell 0.6% to 1.0509, lowest since early January. USD/JPY rose 0.2% to 149.42; Japan's Finance Minister Shunichi Suzuki repeated he's watching currencies with a strong sense of urgency. AUD/USD traded 0.7% lower at 0.6352, weakest since Nov.; it rose earlier after data showed Australia's inflation quickened last month, bolstering the case for the central bank to hike at least one more time. The Norwegian krone and the Canadian dollar were outperforming peers in the Group of 10.

### Key Market Levels for the Day

	S3	S2	S1	R1	R2	R3
USDINR Spot	82.9875	83.0675	83.1455	83.2575	83.3450	83.4275



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## Nirmal Bang Securities - Bullion Technical Market Update

### Gold Market Update



#### Market View

Open	58895
High	58925
Low	58252
Close	58283
Value Change	-655
% Change	-1.11
Spread Near-Next	590
Volume (Lots)	6641
Open Interest	14227
Change in OI (%)	12.20%

### Gold - Outlook for the Day

**SELL GOLD OCT (MCX) AT 58000 SL 58200 TARGET 57700/57500**

### Silver Market Update



#### Market View

Open	71500
High	71515
Low	70441
Close	70549
Value Change	-1228
% Change	-1.71
Spread Near-Next	0
Volume (Lots)	21861
Open Interest	22718
Change in OI (%)	14.23%

### Silver - Outlook for the Day

**SELL SILVER DEC (MCX) AT 71000 SL 71700 TARGET 70200/69800**





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## Nirmal Bang Securities - Currency Technical Market Update

### USDINR Market Update



#### Market View

Open	83.35
High	83.35
Low	83.2825
Close	83.33
Value Change	-0.055
% Change	-0.07
Spread Near-Next	-0.0972
Volume (Lots)	2205354
Open Interest	3965360
Change in OI (%)	1.03%

### USDINR - Outlook for the Day

The USDINR future witnessed a gap down opening at 83.35, which was followed by a session that showed consolidation in narrow range with candle closures near the high. A small red candle inside bar candle formed for the USDINR price as it taken the support of 10 day moving average placed at 83.24. On the daily chart, the momentum indicator RSI trailing between 52-58 level, while MACD has made a negative crossover above the zero-line. We are anticipating that the price of USDINR futures will fluctuate today between 83.15 and 83.45.

### Key Market Levels for the Day

	S3	S2	S1	R1	R2	R3
USDINR October	83.0225	83.1275	83.2375	83.4525	83.5525	83.6575



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