



Daily Bullion Physical Market Report

Date: 06th October 2022

Daily India Spot Market Rates

Description	Purity	AM	PM
Gold	999	51169	51286
Gold	995	50964	51081
Gold	916	46871	46978
Gold	750	38377	38465
Gold	585	29934	30002
Silver	999	61144	61034

*Rate as exclusive of GST as of 04th October 2022 Gold is Rs/10 Gm & Silver in Rs/Kg

Gold and Silver 999 Watch

Date	GOLD*	SILVER*
04th October 2022	51286	61034
03rd October 2022	50378	57317
30th September 2022	50302	56338
29th September 2022	50003	55658

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

COMEX Futures Watch

Description	Contract	Close	Change	%Chg
Gold(\$/oz)	DEC 22	1720.80	-9.70	-0.56
Silver(\$/oz)	DEC 22	20.54	-0.56	-2.63

ETF Holdings as on Previous Close

ETFs	Long	Short
SPDR Gold	946.34	1.71
iShares Silver	14,864.98	-93.23

Gold and Silver Fix

Description	LTP
Gold London AM Fix(\$/oz)	1712.15
Gold London PM Fix(\$/oz)	1700.50
Silver London Fix(\$/oz)	20.44

Bullion Futures DGCX

Description	Contract	LTP
Gold(\$/oz)	DEC. 22	1726.2
Gold Quanto	DEC. 22	51666
Silver(\$/oz)	DEC. 22	20.71

Gold Ratio

Description	LTP
Gold Silver Ratio	83.76
Gold Crude Ratio	19.61

Weekly CFTC Positions

	Long	Short	Net
Gold(\$/oz)	78540	119840	-41300
Silver	34534	42621	-8087

MCX Indices

Index	Close	Net Change	% Chg
MCX iCOMDEX Bullion	14477.44	-101.61	-0.70 %

Macro-Economic Indicators

Time	Country	Event	Forecast	Previous	Impact
06 th October 02:30 pm	Europe	Retail Sales m/m	-0.4 %	0.3 %	Low
06 th October 05:00 pm	Europe	ECB Monetary Policy Meeting Accounts	-	-	Medium
06 th October 06:00 pm	United States	Unemployment Claims	205 K	193 K	Medium
06 th October 10:30 pm	Britain	MPC Member Haskel Speaks	-	-	Low
06 th October 10:30 pm	United States	FOMC Member Cook Speaks	-	-	Low



Nirmal Bang Securities - Daily Bullion News and Summary

❖ Gold slid toward \$1,700 an ounce as traders assess whether the US central bank may maintain its hawkish stance after a slew of mixed US data. The precious metal fell as much as 1.5% Wednesday after fresh data showed the US economy remains resilient. That may give the Federal Reserve more room to aggressively raise interest rates to fight inflation. The dollar and Treasury yields extended gains after the print, pressuring bullion because it doesn't pay interest. The precious metal has been caught in changing views on central banks' stance on monetary policy recently. Earlier this week, it was boosted after weak US data eased concerns that the central bank may be tightening its monetary policy too rapidly and tilt the economy into a recession.

❖ Exchange-traded funds cut 24,832 troy ounces of gold from their holdings in the last trading session, bringing this year's net sales to 825,356 ounces, according to data compiled by Bloomberg. The sales were equivalent to \$42.9 million at yesterday's spot price. Total gold held by ETFs fell 0.8 percent this year to 97 million ounces, the lowest level since May 7, 2020. State Street's SPDR Gold Shares, the biggest precious-metals ETF, boosted its holdings by 55,880 ounces in the last session. ETFs also cut 193,141 troy ounces of silver from their holdings in the last trading session, bringing this year's net sales to 122.3 million ounces.

❖ Federal Reserve officials keep repeating the mantra they don't plan to cut interest rates next year. Traders doubt them. Eurodollar futures showed reduced expectations Wednesday for Fed interest-rate cuts in 2023 but still price in around a one quarter-point move and at least two more in 2024. Federal Reserve Bank of San Francisco President Mary Daly and Fed Atlanta President Raphael Bostic were the latest to bang the drum on the need to keep tightening in place to reduce inflation that remains near a four-decade high. Traders briefly erased bets on 2023 cuts after the Fed's strongly hawkish meeting last month, but a series of global economic and geopolitical shocks have reinforced deep concerns that the US and other major economies will tip into recession. As much as Fed Chair Jerome Powell has insisted the lessons of the 1980s show the need to focus on inflation and not growth, investors refuse to believe he will remain steadfast in the face of a severe downturn.

❖ Federal Reserve Bank of Atlanta President Raphael Bostic said he favors lifting interest rates to between 4% and 4.5% by the end of this year, and then keeping the tightening in place to reduce inflation that remains near a four-decade high. "I would like to reach a point where policy is moderately restrictive --between 4 and 4 1/2 percent by the end of this year -- and then hold at that level and see how the economy and prices react," Bostic said in prepared remarks Wednesday to Northwestern University's Institute for Policy Research. Bostic's view is in line with the Federal Open Market Committee's September forecasts. The policy-setting group has raised rates by three-quarters of a percentage point for three consecutive meetings and has signaled another 125 basis points of hikes at its remaining two meetings this year. Markets are projecting the likelihood of a 75 basis-point hike at the next meeting Nov. 1-2. While markets have forecast rate cuts by the end of next year, Bostic said, "I am not advocating a quick turn toward accommodation. On the contrary. You no doubt are aware of considerable speculation already that the Fed could begin lowering rates in 2023 if economic activity slows and the rate of inflation starts to fall. I would say: not so fast."

❖ Prime Minister Liz Truss backed the Bank of England's authority to set interest rates independently, dropping previous mentions of a review into the central bank's policy-making. In her highest-profile speech on the economy since she took office in September, Truss didn't mention themes she touched on during her Conservative Party leadership campaign -- including the prospect of setting a new target for the central bank. Liz Truss speaks during the Conservative Party's annual autumn conference in Birmingham, UK, on Oct. 5. Instead, she offered robust support for the BOE's Monetary Policy Committee to rein in inflation, which is lingering near a 40-year high. The remarks leave open the question whether Truss and her Chancellor of the Exchequer Kwasi Kwarteng will follow through on a promise to review the bank's work, a suggestion that had unsettled markets in the past month. Her comments also echo the line taken by ministers in recent days as they try to distance themselves from a surge in mortgage costs.

❖ **Fundamental Outlook:** Gold and silver prices are trading slightly higher on international bourses. We expect precious metals prices on Indian bourses to trade higher for the day. We recommend buy on dips in gold and silver in intra-day trading sessions amid continued uncertainty over whether the US central bank will maintain its resolve to crush inflation by hiking rates. The precious metal has been whipsawed by changing views on the Federal Reserve's monetary policy stance.

Key Market Levels for the Day

Time	Month	S3	S2	S1	R1	R2	R3
Gold – COMEX	December	1655	1675	1699	1715	1735	1750
Silver – COMEX	December	20.10	20.35	20.70	21.05	21.30	21.55
Gold – MCX	October	51250	51500	51700	51900	52100	52350
Silver – MCX	December	59700	60400	61000	61400	62000	62500



Nirmal Bang Securities - Daily Currency Market Update

Dollar Index

LTP/Close	Change	% Change
111.21	1.14	1.04

Bond Yield

10 YR Bonds	LTP	Change
United States	3.7528	-0.0040
Europe	2.0290	0.1630
Japan	0.2520	-0.0010
India	7.3620	-0.1030

Emerging Market Currency

Currency	LTP	Change
Brazil Real	5.1958	0.018
South Korea Won	1410.6	-3.4500
Russia Rubble	60.7917	-0.1251
Chinese Yuan	7.116	-0.0089
Vietnam Dong	23872	-7
Mexican Peso	20.0686	-0.0158

NSE Currency Market Watch

Currency	LTP	Change
NDF	81.93	-0.09
USDINR	81.8075	-0.2
JPYINR	56.66	-0.0525
GBPINR	92.6575	0.82
EURINR	80.965	0.6925
USDJPY	144.42	-0.21
GBPUSD	1.1331	0.0124
EURUSD	0.9899	0.0108

Market Summary and News

❖ Kwasi Kwarteng signed off on £100 billion (\$113 billion) of bond buying by the Bank of England as the market fell into turmoil last week, higher than the size of the plan announced by the central bank and an indication of the level of concern among officials about volatility in the gilt markets. The BOE took emergency action to prevent a problem in pension funds turning into a broader market crash, implying it was prepared to buy £65 billion of long-dated bonds to quell the turmoil. The chancellor of the exchequer agreed to a request to approve purchases of as much as £100 billion when the plan kicked off, according to a letter released last week from Kwarteng to Mel Stride, a member of Parliament who leads the Treasury Committee. The BOE didn't mention the higher amount when it started the program, which is funded through the creation of central bank reserves and run through its Asset Purchase Facility. When the size of that facility is increased, the Treasury has to make a corresponding move to indemnify the purchases. "The Bank has requested an extension to the maximum size of the APF by £100 billion to £966 billion," the Chancellor wrote in a letter dated Sept. 28 and published on Friday. "There was a special urgency to incur this liability." The usual exchange of letters between Kwarteng and BOE Governor Andrew Bailey to approve the increase has not yet been published. The BOE declined to comment on the reason for the size of the request. Members of UK Prime Minister Liz Truss's cabinet say she will struggle to drive through key parts of an economic plan because her standing in the ruling party is already so damaged. The plan started last Wednesday with the BOE offering to buy £5 billion on each of the 13 working days through Oct. 14, suggesting a total of £65 billion. The letter to Stride makes clear officials had the ability to increase buying if needed. That tallies with the bank's pledge to buy in "whatever scale is necessary." In reality, the buying has been far smaller. The BOE has bought about £3.7 billion out of a potential £20 billion across the first four operations.

❖ The pound has rallied more than 10% from last week's lows against the dollar but most strategists are sticking to bets that the UK currency will resume losses, with some predicting a new record low by year-end. Entering its sixth straight day of gains, sterling is poised to post its longest rally since April 2021, bouncing off last week's record low of \$1.0350. Bank of England interventions to shore up the country's bond market have boosted the pound, but have also ramped up expectations for UK interest-rate rises, which may translate to a weaker pound down the line. Sterling could weaken almost 10% from current levels by year-end after government policy missteps undermined confidence in the currency. The pound tumbled to its current all-time low of \$1.0350 on Sept. 26, recovering as the government backed off its pledge to scrap a proposed tax cut. It was at \$1.1380 on Tuesday. Given the MPC's hiking path to-date in this cycle we concur that risks are for a smaller amount of tightening than market pricing. This would effectively amount to yet another decision to let the currency bear the brunt of the adjustment at the cost of higher inflation for longer. As a result, sterling is exposed to further downside risks once short-term bearish positions have been cleared out. The government's U-turn on its tax-cut plans shaves only around £2 billion off an overall reduction of around £45 billion and it isn't a game changer in terms of the country's finances and continues an elevated risk that the UK will face a rating downgrade.

❖ India Rupee Gains on Report RBI Asks Oil Cos to Reduce USD Buys. The Indian rupee extends gains as traders cited a Reuters report that the central bank is encouraging state-run refiners to reduce dollar buying in the spot market. RBI is asking state-run refiners to lean on \$9b credit line instead of spot market, according to the report.

Key Market Levels for the Day

	S3	S2	S1	R1	R2	R3
USDINR Spot	80.7000	80.8800	81.1000	81.4500	81.5800	81.7500



Nirmal Bang Securities - Bullion Technical Market Update

Gold Market Update



Market View	
Open	51573
High	51692
Low	51362
Close	51646
Value Change	-166
% Change	-0.32
Spread Near-Next	655
Volume (Lots)	3497
Open Interest	18624
Change in OI (%)	-0.06%

Gold - Outlook for the Day

Gold prices are likely to take halt till \$ 1730-35 from where reversal is expected, still we can buy between \$ 1700-1705 for the target of \$ 1736.

BUY GOLD DEC (MCX) AT 51700 SL 51400 TARGET 52100/52350

Silver Market Update



Market View	
Open	60390
High	60912
Low	59408
Close	60767
Value Change	-1091
% Change	-1.76
Spread Near-Next	-767
Volume (Lots)	17765
Open Interest	11077
Change in OI (%)	-3.75%

Silver - Outlook for the Day

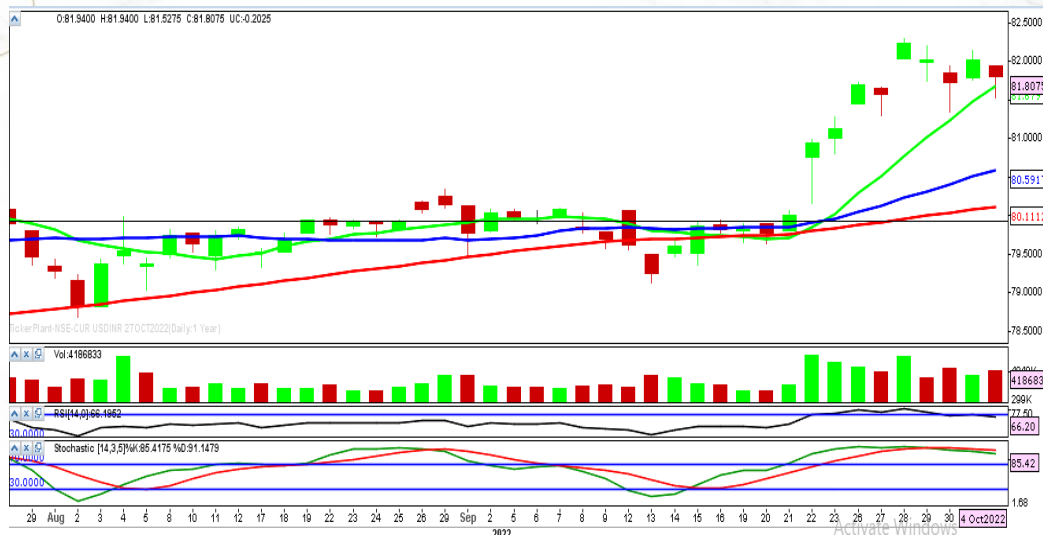
Silver looks good try to buy on dips around \$ 20.60-50 for the target of \$ 21.10-21.20.

BUY SILVER DEC (MCX) AT 61000 SL 60300 TARGET 62000/62500



Nirmal Bang Securities - Currency Technical Market Update

USDINR Market Update



Market View	
Open	81.94
High	81.94
Low	81.5275
Close	81.8075
Value Change	-0.2
% Change	-0.24
Spread Near-Next	0
Volume (Lots)	4186833
Open Interest	4448019
Change in OI (%)	0.00%

USDINR - Outlook for the Day

USDINR witnessed a weak open at 81.94 followed by a session in red, marking the low at 81.52 with closure on a weaker note as well. USDINR has formed a red candle with closure in lower highs and lows indicating selling pressure. The pair has given closure above the short, medium and long term SMA on the daily chart. USDINR, if trades below 81.75, pair will head towards 81.56 – 81.25. Whereas, momentum above 81.88; will lead the pair to test the highs of 82.15. The daily strength indicator RSI and momentum oscillator Stochastic both are in positive zone but still is below their signal line indicating lack of strength in the momentum.

Key Market Levels for the Day

	S3	S2	S1	R1	R2	R3
USDINR September	81.3000	81.4500	81.6500	81.9800	82.1500	82.2800



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