

Daily Bullion Physical Market Report

Date: 07th June 2024

Daily India Spot Market Rates

Description	Purity	AM	PM
Gold	999	72857	72757
Gold	995	72565	72466
Gold	916	66737	66645
Gold	750	54643	54568
Gold	585	42621	42563
Silver	999	90643	90407

Rate as exclusive of GST as of 06th June 2024 Gold is Rs/10 Gm & Silver in Rs/Kg

Gold and Silver 999 Watch

Date	GOLD*	SILVER*
06 th June 2024	72757	90407
05 th June 2024	71986	88530
04 th June 2024	71969	88837
03 rd June 2024	71776	90217

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

COMEX Futures Watch

Description	Contract	Close	Change	%Chg
Gold(\$/oz)	AUG 24	2390.90	15.40	0.65
Silver(\$/oz)	JULY 24	31.37	1.29	4.30

ETF Holdings as on Previous Close

ETFs	In Tonnes	Net Change
SPDR Gold	833.65	1.44
iShares Silver	12,999.54	82.41

Gold and Silver Fix

Description	LTP
Gold London AM Fix(\$/oz)	2360.85
Gold London PM Fix(\$/oz)	2360.60
Silver London Fix(\$/oz)	30.30

Bullion Futures DGCX

Description	Contract	LTP
Gold(\$/oz)	JUNE 24	2391.5
Gold Quanto	JUNE 24	73151
Silver(\$/oz)	MAY 24	31.36

Gold Ratio

Description	LTP
Gold Silver Ratio	76.22
Gold Crude Ratio	31.65

Weekly CFTC Positions

	Long	Short	Net
Gold(\$/oz)	201329	22108	179221
Silver	63241	23712	39529

MCX Indices

Index	Close	Net Change	% Chg
MCX iCOMDEX Bullion	18702.04	313.52	1.68 %

Macro-Economic Indicators

Time	Country	Event	Forecast	Previous	Impact
07 th June 06:00 PM	United States	Average Hourly Earnings m/m	0.3%	0.2%	High
07 th June 06:00 PM	United States	Non-Farm Employment Change	186K	175K	High
07 th June 06:00 PM	United States	Unemployment Rate	3.9%	3.9%	High
07 th June 07:30 PM	United States	Final Wholesale Inventories m/m	0.2%	0.2%	Low
07 th June 09:30 PM	United States	FOMC Member Cook Speaks	-	-	Low
08 th June 12:30 AM	United States	Consumer Credit m/m	9.3B	6.3B	Low

Nirmal Bang Securities - Daily Bullion News and Summary

□ Gold advanced yesterday as traders looked past fresh US data and the European Central Bank's widely expected interest rate cut to focus on Friday's key nonfarm payrolls report for clues on the Federal Reserve's rate path. A slew of morning data showed jobless claims topped estimates, US labor costs increased by less than previously reported and the trade deficit widened. Meanwhile, after the ECB slashed borrowing costs, officials led by President Christine Lagarde said that while the inflation outlook has improved "markedly," they'll "keep policy rates sufficiently restrictive for as long as necessary." Bond yields pushed higher across the board, while the dollar wavered. All eyes are now on the US payrolls report, with Bloomberg Economics' now cast pointing to a 204,000 monthly gain in nonfarm payrolls in May, somewhat higher than in April but below the elevated readings of the first quarter. Fed officials are looking for more evidence that inflation is easing toward the central bank's 2% target as they consider when to cut rates, while investors are looking for conviction of a soft landing that would justify US rate cuts. Lower borrowing costs typically boost gold, which doesn't pay interest. After surging to a record last month, bullion has traded in a fairly narrow range amid the uncertainty over the Fed's rate trajectory. Markets are cautiously boosting bets on cuts, with two almost fully priced in for 2024.

□ Exchange-traded funds added 41,272 troy ounces of gold to their holdings in the last trading session, bringing this year's net sales to 4.65 million ounces, according to data compiled by Bloomberg. This was the fourth straight day of growth. The purchases were equivalent to \$97.2 million at yesterday's spot price. Total gold held by ETFs fell 5.4 percent this year to 80.9 million ounces. Gold advanced 14 percent this year to \$2,355.32 an ounce and by 1.2 percent in the latest session. State Street's SPDR Gold Shares, the biggest precious-metals ETF, boosted its holdings by 46,250 ounces in the last session. The fund's total of 26.8 million ounces has a market value of \$63.1 billion. ETFs also added 1.68 million troy ounces of silver to their holdings in the last trading session, bringing this year's net sales to 17.4 million ounces.

□ European Central Bank officials are all but excluding a second interest-rate cut in July, and some also question if such a move would be wise at the following meeting in September, according to people familiar with the matter. The discussion on Thursday barely considered the possibility of a reduction next month, and there's currently no settled consensus on decreasing at the subsequent gathering on Sept. 12 when they issue their next round of quarterly forecasts, the people said, declining to be identified because talks on the matter are private. There was little doubt among policymakers that they needed to deliver an initial rate cut this week however, given how consistently it had been signaled to investors, the people said. An ECB spokesperson declined to comment on how policymakers regarded the outlook for borrowing costs. The lack of a firm view on the path ahead points to a sense of disarray now overshadowing the Governing Council after officials accompanied a well-flagged cut in borrowing costs with projections that raised the inflation outlook for this year and next.

□ Indian bonds should find support from the RBI today, as it looks to maintain calm amid a stormy post-election week for stocks and the currency. Despite the volatility in equities and the rupee, foreign bond investors have looked past the angst created from the government's unexpectedly weak showing in the national polls. In fact, inflows into Indian bonds via the Fully Accessible Route increased over the last week. That's a contrast to the performance of benchmark 10-year bonds, which have held within a muted range of roughly 13bps over the past week. Indian bonds are benefiting from their looming inclusion into JPMorgan emerging-market bond indexes, but they are also getting a boost from inflation dynamics. Prices are softening, with annual CPI hovering around 4.8% for two consecutive months, not far off the 4% RBI target. Those two readings weren't released before the last RBI meeting, held April 5. Such progress should help the RBI deliver a dovish hold as Bloomberg Economics expects. A cut may be too early to signal without guidance from the Fed, given the potential impact on capital flows if rate differentials narrow further. But given the volatility seen in Indian markets this week means a softer RBI will likely be a good crutch for markets.

Fundamental Outlook: Gold and silver prices are trading slightly higher today on the international bourses. We expect gold and silver prices to trade ranger-bound to higher for the day, as gold prices headed for a weekly gain, as traders look to a key US jobs report that's likely to guide the interest rate outlook at the Federal Reserve.

Key Market Levels for the Day

Time	Month	S3	S2	S1	R1	R2	R3
Gold – COMEX	August	2340	2365	2385	2400	2430	2450
Silver – COMEX	July	30.65	30.90	31.20	31.40	31.65	32.00
Gold – MCX	August	72450	72650	72900	73250	73500	73800
Silver – MCX	July	91500	92200	93000	93850	94500	95300

Nirmal Bang Securities - Daily Currency Market Update

Dollar Index

LTP/Close	Change	% Change
104.10	-0.17	-0.16

Bond Yield

10 YR Bonds	LTP	Change
United States	4.2870	0.0116
Europe	2.5480	0.0370
Japan	0.9640	-0.0530
India	7.0110	-0.0160

Emerging Market Currency

Currency	LTP	Change
Brazil Real	5.2541	-0.0443
South Korea Won	1372.95	-3.1000
Russia Rubble	89.0823	0.0284
Chinese Yuan	7.245	-0.0027
Vietnam Dong	25430	7
Mexican Peso	17.9854	0.4643

NSE Currency Market Watch

Currency	LTP	Change
NDF	83.53	0.02
USDINR	83.5475	0.08
JPYINR	53.6625	0.355
GBPINR	106.65	0.295
EURINR	90.85	0.2725
USDJPY	155.62	0.02
GBPUSD	1.2771	1E-04
EURUSD	1.0873	0.0003

Market Summary and News

□ Indian rupee and bond traders will await RBI's policy review to gauge the central bank's views on interest rates and potential fiscal slippage by the government after results this week showed a narrower win for Prime Minister Narendra Modi. RBI Governor Shaktikanta Das to deliver monetary policy decision at 10 am local time; The central bank is likely to keep policy rates on hold and keep stance as 'withdrawal of accommodation' although in our view tight liquidity warrants a change in stance, Teresa John, an economist at Nirmal Bang Equities, writes in a note. Delay in the Federal Reserve's rate cut cycle and strong GDP growth will give the RBI confidence to maintain the stance and the policy space to remain focused on price stability for now. Expect a change in stance by August or October assuming a good monsoon and indications of the Fed initiating rate cuts. We expect a shallow rate cut cycle of ~50bps in 2HFY25. USD/INR rose 0.1% to 83.4775 on Thursday. Implied opening from forwards suggest spot may start trading around 83.48. 10-year yields fell 2bps to 7.01%. Global Funds Sell Net 68.7B Rupees of Indian Stocks June 6: NSE. They bought 4.5 billion rupees of sovereign bonds under limits available to foreign investors, and added 1.64 billion rupees of corporate debt. State-run banks sold 6.27 billion rupees of sovereign bonds on June 6: CCIL data. Foreign banks sold 10.5 billion rupees of bonds.

□ Emerging-market stocks rose for a second day as Indian equities rebounded amid talks to form a new government and Asian tech shares rallied. MSCI's stock gauge advanced 1% on a closing basis, while the currency index also closed higher. Indian shares rose as Prime Minister Narendra Modi was on track for a third term in power after key allies pledged their support. Most EM currencies are up against USD, with the Brazilian real leading peers. The Mexican peso is the worst performing currency in the world after the leader of the ruling party in the lower house said lawmakers would seek to pass a swath of reforms proposed by President Andres Manuel Lopez Obrador. The peso fell as much as 2.7% against the greenback, reaching session lows; Mexican stocks trimmed gains. Earlier, European Central Bank delivered its widely expected interest rate cut, but gave investors little direction on its policy path moving forward and even raised its inflation forecast for 2024 and 2025. South Africa's biggest labor union federation is pushing the African National Congress to consider seeking support from the main opposition party, according to people familiar with the matter. India's central bank will likely keep interest rates on hold well into this year as a weak election win for Modi's party fans fears of fiscal populism.

□ The greenback traded lower against all of its G-10 counterparts amid positioning ahead of Friday's US employment report. The euro gained after the European Central Bank lowered its policy rate 25 basis points to 4.25%, as expected, while boosting its inflation forecasts. The Bloomberg Dollar Spot Index is little changed, influenced by a sharp drop in the Mexican peso; ICE dollar slips toward 104 support as greenback slips against all its G-10 peers. 10-year Treasury yield rises one basis points to 4.28%. Challenge jobs cuts fell 20.3% y/y in May and weekly jobless claims edged up. An index of overnight BBDXY volatility is 9% ahead of the US May jobs report. Bloomberg Economics expects May's jobs report to present contradictory views of the labor market: The establishment survey may show robust gains in nonfarm payrolls, while the household survey likely will show the unemployment rate ticking up. Seasonal start to shift in favor of the dollar. EUR/USD rises as much as 0.3% to 1.0902 before losing traction amid a stack of EUR3.7 billion of option expiries between 1.0900-1.0915. President Christine Lagarde noted that the inflation outlook has improved "markedly" and said there's a "strong likelihood" that the ECB is shifting into a "dialing-back phase." Traders slice OIS odds of a July ECB cut to 9 basis points from nearly 30 ahead of the announcement. "The rate trajectory of the ECB will depend on the evolution of data from here on and the Fed, which we think will be unable to cut this year given the stickiness in US inflation," says Salman Ahmed, global head of macro and strategic asset allocation at Fidelity International in a note. Overnight volatility capturing US jobs data is ~8.30% from over 11% prior to the ECB. "Even a modestly weaker jobs report tomorrow we believe would be enough to propel EUR/USD further higher and to possibly test the 1.1000 level," according to Derek Halpenny at MUFG. Technically, the euro's daily Bollinger Band is narrowest in over two years; one bank's positioning model suggests potential near-term top for euro. USD/CHF slips 0.4% to 0.8898 as EMs come under renewed pressure. USD/JPY is steady in narrow 155.37-156.44 range in two-way flow; a set of 157 options look to expire Friday. Bank of Japan policy board member Toyooki Nakamura, a dove, said it is appropriate to maintain current policy for the time being and that sustainability of wage gains is not yet certain. GBP/USD is steady at 1.2790 with leveraged offers around 1.2800, traders note. EUR/GBP +0.1% at 0.8514 in relatively solid turnover with corporate supply seen up to 0.8550, European traders; USD/CAD is marginally lower at 1.3688 ahead of Canada jobs report Friday amid a 2% rise in WTI oil.

Key Market Levels for the Day

	S3	S2	S1	R1	R2	R3
USDINR Spot	83.2550	83.3425	83.4075	83.5225	83.5825	83.6550

Nirmal Bang Securities - Bullion Technical Market Update

Gold Market Update



TradingView

Market View	
Open	72879
High	73308
Low	72638
Close	73131
Value Change	613
% Change	0.85
Spread Near-Next	286
Volume (Lots)	4981
Open Interest	16873
Change in OI (%)	0.52%

Gold - Outlook for the Day

BUY GOLD AUG (MCX) AT 72900 SL 72650 TARGET 73250/73500

Silver Market Update



TradingView

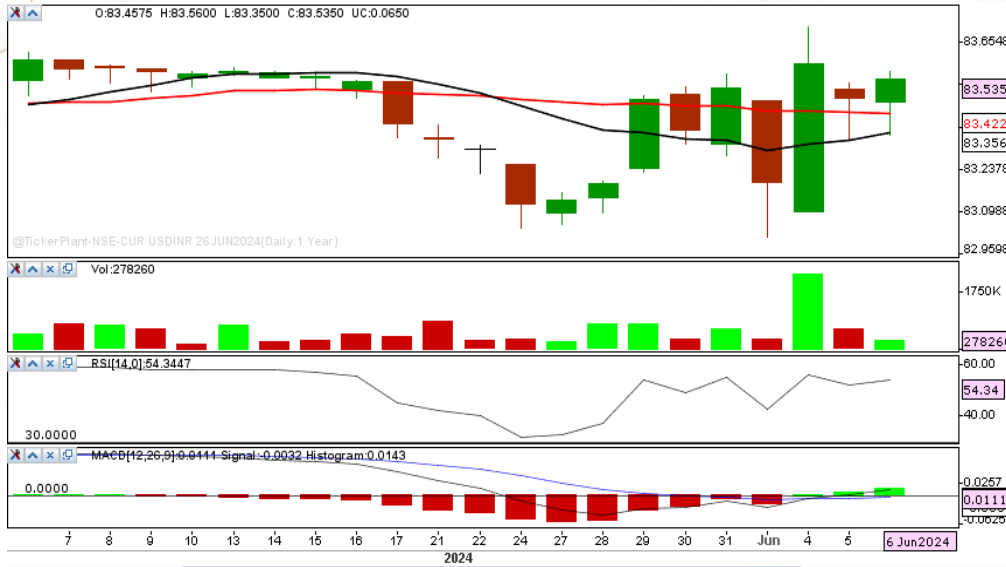
Market View	
Open	90839
High	93900
Low	90839
Close	93816
Value Change	3372
% Change	3.73
Spread Near-Next	0
Volume (Lots)	24259
Open Interest	23770
Change in OI (%)	4.80%

Silver - Outlook for the Day

BUY SILVER JULY (MCX) AT 93000 SL 92200 TARGET 94500/95500

Nirmal Bang Securities - Currency Technical Market Update

USDINR Market Update



Market View	
Open	83.4575
High	83.56
Low	83.35
Close	83.5475
Value Change	0.08
% Change	0.0958
Spread Near-Next	-0.2205
Volume (Lots)	278260
Open Interest	3148971
Change in OI (%)	3.41%

USDINR - Outlook for the Day

The USDINR future witnessed a flat-opening at 83.45, which was followed by a session where price shows strong buying from lower level with candle closures near high. A long green candle formed by the USDINR price where price closed below 20-days moving average placed at 83.42. On the daily chart, the MACD showed a positive crossover below the zero-line, while the momentum indicator, RSI trailing between 47-55 level showed positive indication. We are anticipating that the price of USDINR futures will fluctuate today between 83.38 and 83.66.

Key Market Levels for the Day

	S3	S2	S1	R1	R2	R3
USDINR June	83.3225	83.3850	83.4575	83.6225	83.6850	83.7575

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