



**Daily Bullion Physical Market Report**

**Date: 07<sup>th</sup> October 2022**

**Daily India Spot Market Rates**

Description	Purity	AM	PM
Gold	999	51792	51838
Gold	995	51585	51630
Gold	916	47442	47484
Gold	750	38844	38879
Gold	585	30298	30325
Silver	999	60894	60670

\*Rate as exclusive of GST as of 06<sup>th</sup> October 2022 Gold is Rs/10 Gm & Silver in Rs/Kg

**Gold and Silver 999 Watch**

Date	GOLD*	SILVER*
06th October 2022	51838	60670
04th October 2022	51286	61034
03rd October 2022	50378	57317
30th September 2022	50302	56338

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	0.00	0.00
Silver(\$/oz)	DEC 22	20.66	0.12	0.56

**ETF Holdings as on Previous Close**

ETFs	Long	Short
SPDR Gold	946.34	0.00
iShares Silver	14,793.35	-71.63

**Gold and Silver Fix**

Description	LTP
Gold London AM Fix(\$/oz)	1716.00
Gold London PM Fix(\$/oz)	1714.20
Silver London Fix(\$/oz)	20.54

**Bullion Futures DGCX**

Description	Contract	LTP
Gold(\$/oz)	DEC. 22	1723.1
Gold Quanto	DEC. 22	51992
Silver(\$/oz)	DEC. 22	20.69

**Gold Ratio**

Description	LTP
Gold Silver Ratio	83.29
Gold Crude Ratio	19.46

**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	14375.83	102.83	0.72 %

**Macro-Economic Indicators**

Time	Country	Event	Forecast	Previous	Impact
07 <sup>th</sup> October 06:00 pm	United States	Average Hourly Earnings m/m	0.3 %	0.3 %	High
07 <sup>th</sup> October 06:00 pm	United States	Non-Farm Employment Change	265 K	315 K	High
07 <sup>th</sup> October 06:00 pm	United States	Unemployment Rate	3.7 %	3.7 %	High
07 <sup>th</sup> October 07:30 pm	United States	FOMC Member Williams Speaks	-	-	Low



## Nirmal Bang Securities - Daily Bullion News and Summary

❖ Gold slipped as fresh data continued to paint a mixed picture of the US economy, clouding the outlook for the Federal Reserve's interest-rate path. Initial unemployment claims in the US increased by 29,000 to 219,000 in the week ended Oct. 1, Labor Department data showed Thursday. The print was more than forecast, although it remained at a historically low level. The dollar extended its advance after the data, weighing on bullion since it is priced in the greenback. The precious metal has been whipsawed by changing views on the US central bank's stance. It gained almost 4% in the first two trading sessions of the week amid disappointing US data, but slipped 0.6% Wednesday after fresh figures showed the American economy remains resilient. The next economic data that could affect gold prices will be Friday's nonfarm payrolls report.

❖ The Bank of England has pushed back against government claims that Britain's recent market rout was simply part of a global sell-off by linking its £65 billion backstop bail out directly to the mini-budget. In a letter to the chairman of the Treasury committee, deputy governor Jon Cunliffe said the BOE had no choice but to intervene to prevent fund managers dumping £50 billion of gilts and triggering a market crash. Policy maker Jonathan Haskel later also chimed in with a defense of the BOE. Cunliffe also made clear that the problems emerged on Friday, Sept. 23, the day Chancellor of the Exchequer Kwasi Kwarteng delivered his economic statement to parliament, which sparked a run on the pound and a steep fall in government bond prices. The remarks conflict with the government's story about why markets have punished the UK, pushing gilts and the pound to historic lows. Kwarteng had dismissed the panic as a "little turbulence," and Prime Minister Liz Truss blamed it on global factors, as part of a wider move in markets. Mel Stride, a senior Conservative member of Parliament who leads the cross-party Treasury Committee, pointed out that it was the first time the BOE had bought gilts on financial stability grounds, rather than through its quantitative easing program to stimulate the economy. Cunliffe said the BOE first identified liquidity concerns among liability-driven investment fund managers after the Friday statement, when the chancellor revealed £45 billion of unfunded tax cuts.

❖ Gold's prospects are tilted to the downside as the macro backdrop remains susceptible to the Fed's rate-hike path. Even if we were to see physical buyers and jewelers prop up demand ahead of Diwali and other festivals in India, any gains in spot prices are likely to be short-lived. Bullion is known to be quite responsive to macro fundamentals. Its inverse correlation to other assets such as the dollar and real rates is consistent. It also doesn't help that Fed policy makers continue to harp on the hawkish train, deterring any prospects of a pivot anytime soon. Then there's the matter of ETFs, which are typically seen as sentiment barometers for the precious metal. Total gold held by ETFs fell 0.9% this year to 97 million ounces, the lowest level since early May 2020. As rates push higher, gold doesn't shine as bright to these holders either.

❖ The US central bank has not finished the task of bringing inflation down and is "quite a ways away" from pausing its campaign of interest-rate increases, Minneapolis Fed President Neel Kashkari said. "We have more work to do," Kashkari said Thursday during a talk hosted by Bremer Financial Corporation. "Until I see some evidence that underlying inflation has solidly peaked and is hopefully headed back down, I'm not ready to declare a pause. I think we're quite a ways away from a pause." Kashkari, who before the pandemic was known as the Fed's most outspoken dove, has emerged this year as its biggest hawk. The Minneapolis Fed chief and his colleagues on the central bank's rate-setting Federal Open Market Committee have been emphasizing that they won't be deterred by turmoil in financial markets, which have been roiled by the fastest pace of Fed tightening this year since the early 1980s, as they seek to bring inflation down from four-decade highs. "I fully expect that there are going to be some losses and there are going to be some failures around the global economy as we transition to a higher-interest rate environment, and that's the nature of capitalism," Kashkari said. "We need to keep our eyes open for risks that could be destabilizing for the American economy as a whole. But to me, the bar to actually shifting our stance on policy is very high," he said. "It should not be up to the Federal Reserve or the American taxpayer to bail people out."

❖ Federal Reserve officials kept up the drumbeat of support for extending their run of interest-rate hikes, stressing the need to quash inflation that's proved unexpectedly stubborn. Five officials, in separate remarks during the course of Thursday, delivered a resolutely hawkish message that inflation is too high and they won't be deterred from raising rates by volatility in financial markets. "The focus of monetary policy needs to be fighting inflation," Governor Christopher Waller told an audience at the University of Kentucky in Lexington. "We have tools in place to address any financial stability concerns and should not be looking to monetary policy for this purpose." Fed officials are delivering the most aggressive tightening campaign since the 1980s to tackle inflation near four-decade highs. Starting near zero in March, they've increased their benchmark rate to a target range of 3% to 3.25%, including with back-to-back 75 basis-point hikes at their last three meetings. "We have to bring interest rates up to a level that will get inflation on that 2% path, and I have not seen the compelling evidence that I need to see that would suggest that we could start reducing the pace at which we're going," Cleveland Fed President Loretta Mester told the Council for Economic Education. The median of the 19 policymakers' latest projections sees another 1.25 percentage points of increases over their two remaining meetings of the year, with investors pricing a 75 basis-point move when they gather Nov. 1-2. Fed forecasts show an additional 25 basis-point increase next year, with policy staying at restrictive levels until at least 2024.

❖ Federal Reserve Bank of Cleveland President Loretta Mester said the US central bank has more work to do to tame inflation and she has not seen the evidence needed to convince her that the officials should slow the pace of interest-rate increases. "We have to bring interest rates up to a level that will get inflation on that 2% path, and I have not seen the compelling evidence that I need to see that would suggest that we could start reducing the pace at which we're going," Mester said Thursday during a virtual event organized by the Council for Economic Education. Fed officials are raising interest rates at the fastest clip in decades as they work to squelch stubbornly high inflation. Policy makers lifted rates by 75 basis points last month to a target range of 3% to 3.25% and median projections show they anticipate rates will go to 4.4% by the end of this year. That implies a further 1.25 percentage points of tightening over their remaining two meetings in November and December. Mester repeated that she forecasts the US central bank will need to push rates slightly higher than many of her colleagues anticipate because she expects high inflation to persist. She said she didn't expect the Fed to cut rates at all next year.

❖ **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 ahead of key US jobs data that will shape expectations about how much more tightening is yet to come from the Federal Reserve.

### 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	51450	51700	51850	52000	52170	52400
Silver – MCX	December	59700	60400	61000	61400	62000	62500



## Nirmal Bang Securities - Daily Currency Market Update

### Dollar Index

LTP/Close	Change	% Change
112.26	1.05	0.94

### Bond Yield

10 YR Bonds	LTP	Change
United States	3.8236	-0.0040
Europe	2.0820	0.0530
Japan	0.2540	-0.0030
India	7.4520	0.0900

### Emerging Market Currency

Currency	LTP	Change
Brazil Real	5.2224	0.0266
South Korea Won	1402.65	3.4000
Russia Rubble	61.8997	-0.2136
Chinese Yuan	7.116	-0.0089
Vietnam Dong	23848	-24
Mexican Peso	20.123	-0.0305

### NSE Currency Market Watch

Currency	LTP	Change
NDF	82.66	-0.11
USDINR	82.33	0.5225
JPYINR	57.025	0.365
GBPINR	92.7525	0.095
EURINR	81.45	0.485
USDJPY	144.38	-0.04
GBPUSD	1.1273	-0.0058
EURUSD	0.9897	-0.0002

### Market Summary and News

❖ India's services activity lost momentum in September, rising at the slowest pace in six months as inflationary pressures restricted output and dampened job creation. S&P Global India Purchasing Managers Index for services declined to 54.3 last month as new business inflows softened, data showed Thursday. That's the lowest reading since March and compares with 57.2 in August. A number above 50 reflects an expansion while a print below that depicts contraction in activity. An upturn in inflation could damage consumer spending, dampen business confidence and test the resilience of the Indian service sector in the coming months and the steep depreciation of the rupee brings additional challenges for the economy as imports become costlier. While weak external demand weighed on overall sales with a further decline in international orders, service providers also signaled an increase in operating expenses due to higher energy, food, labor and material costs. Despite that sales growth forecasts boosted business confidence with sentiment at its highest level in over seven-and-a-half years.

❖ The World Bank cut India's economic growth forecast by a full percentage point, the most for a non-crisis economy in South Asia, citing risks from a global slowdown and the hit to demand from rising interest rates. India's gross domestic product will grow 6.5% in the year to March, the Washington-based institution said in its South Asia Economic Focus report released Thursday. That revision, along with a 1.4 percentage point cut to crisis-ridden Sri Lanka's growth outlook, pulled the region's 2022 forecast down to 5.8% from 6.8% seen in June, even though the outlook for five other countries in the region were upgraded. The view on India is sharply lower than the estimate of the Reserve Bank of India, which cut its forecast last month to 7% from 7.2%. While warning that the region faces an unprecedented combination of shocks on top of the lingering scars of the pandemic, the World Bank said some nations were coping better than others, citing the resilience of India's exports and services sectors. "The spillovers from the Russia-Ukraine war and global monetary policy tightening will continue to weigh on India's economic outlook," the World Bank said. Elevated inflation and rising borrowing costs will affect domestic demand, while slowing global growth will hurt the nation's exports, it said. While India's economy posted double-digit growth in the April-June quarter, the RBI's aggressive monetary policy tightening is seen as a risk to demand in an economy where consumption accounts for some 55% of growth.

❖ The pound fell and UK gilt yields surged amid concern over the government's plans to loosen fiscal policy and as traders braced for an end of the central bank's market backstop. On Thursday, 10-year maturities led the fall in gilts, with the corresponding yield surging as much as 21 basis points to 4.24%. That's the highest since Sept. 28 when the Bank of England staged a dramatic intervention to stave off an imminent crash in the gilt market by pledging unlimited purchases of long-dated bonds. By doing so it prevented a full-blown crisis spurred by forced selling from pension funds, as concerns about Prime Minister Liz Truss's unfunded tax-cut policy tore through markets. With that backstop set to end on Oct. 14, traders are now facing up to the prospect of further turbulence. The 30-year yield was 17 basis points higher at 4.37% after the BOE bought £154 million (\$172.5 million) of bonds, its first purchases since Monday. The pound fell as much as 1.1% to \$1.1197. The UK currency also dropped against the euro, which climbed as much as 0.7%. Pound is right now having the repricing higher of risk premia, and when this happens you get both yields higher and the exchange rate lower. After rolling back plans to slash taxes on the country's highest earners earlier in the week, Truss appears to be sticking to her plan to cut taxes and cap energy bills to stimulate economic growth. This is not sitting well with investors, and concerns over how that will be funded is weighing on the pound and gilts. The bond market is not comfortable at all by what's been announced in the past week and there is a risk premium in holding UK assets and very little confidence in what the government is trying to do.

### Key Market Levels for the Day

	S3	S2	S1	R1	R2	R3
USDINR Spot	81.7000	81.8800	82.0000	82.1800	82.3500	82.4800



**Nirmal Bang Securities - Bullion Technical Market Update**

**Gold Market Update**



Market View	
Open	51836
High	52093
Low	51790
Close	51972
Value Change	326
% Change	0.63
Spread Near-Next	329
Volume (Lots)	7453
Open Interest	19120
Change in OI (%)	2.59%

**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 51800 SL 51580 TARGET 52100/52350**

**Silver Market Update**



Market View	
Open	61100
High	61675
Low	60768
Close	61346
Value Change	579
% Change	0.95
Spread Near-Next	-1346
Volume (Lots)	16586
Open Interest	11180
Change in OI (%)	0.92%

**Silver - Outlook for the Day**

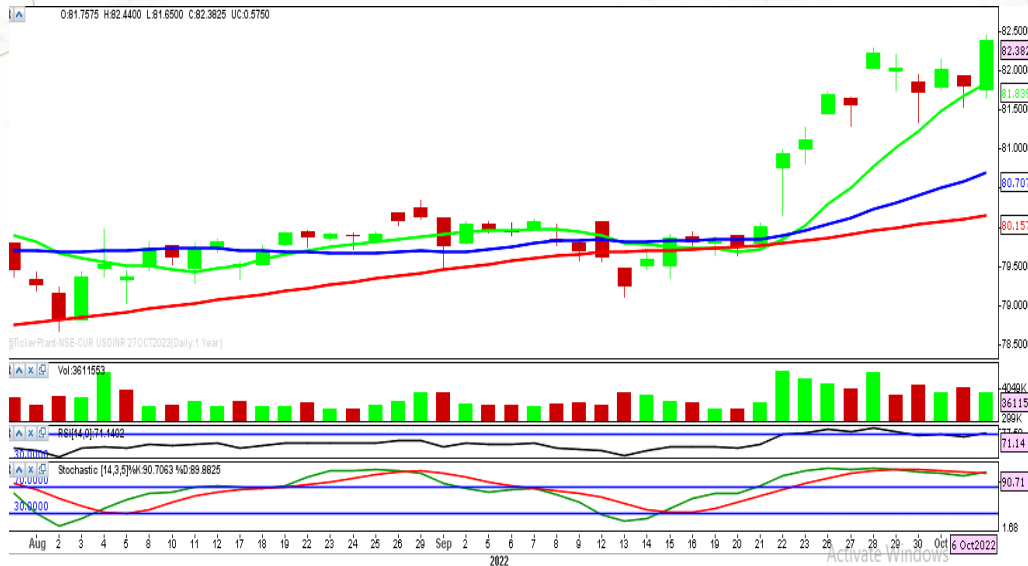
Silver looks good try to buy on dips around \$ 20.60-50 for the target of \$ 21.10-21.20.

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



**Nirmal Bang Securities - Currency Technical Market Update**

**USDINR Market Update**



Market View	
Open	81.7575
High	82.44
Low	81.65
Close	82.33
Value Change	0.5225
% Change	0.64
Spread Near-Next	0
Volume (Lots)	3611553
Open Interest	4548557
Change in OI (%)	2.21%

**USDINR - Outlook for the Day**

USDINR witnessed a weak open at 81.75 followed by a session in strong bullish momentum marking the high of 82.44 with closure near the same. USDINR has formed a long green candle with closure in higher highs and lows indicating positive bias returning in the pair. The pair has given closure above the short, medium and long term SMA on the daily chart. USDINR, if trades below 82.25, pair will head towards 82 – 81.80. Whereas, momentum above 82.45; will lead the pair to test the highs of 82.65 – 82.85. 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	81.8000	82.0000	82.2000	82.5000	82.7000	82.9500



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