

Daily Bullion Physical Market Report

Date: 08th February 2024

Daily India Spot Market Rates

Description	Purity	AM	PM
Gold	999	62636	62646
Gold	995	62385	62395
Gold	916	57375	57384
Gold	750	46977	46985
Gold	585	36642	36648
Silver	999	69749	69866

Rate as exclusive of GST as of 07th February 2024 Gold is Rs/10 Gm & Silver in Rs/Kg

Gold and Silver 999 Watch

Date	GOLD*	SILVER*
07 th February 2024	62646	69866
06 th February 2024	62479	69984
05 th February 2024	62512	70417
02 nd February 2024	63142	71864

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

COMEX Futures Watch

Description	Contract	Close	Change	%Chg
Gold(\$/oz)	APR 24	2051.70	0.30	0.01
Silver(\$/oz)	MAR 24	22.36	-0.12	-0.52

ETF Holdings as on Previous Close

ETFs	In Tonnes	Net Change
SPDR Gold	847.69	-4.03
iShares Silver	13,685.37	150.85

Gold and Silver Fix

Description	LTP
Gold London AM Fix(\$/oz)	2033.20
Gold London PM Fix(\$/oz)	2041.60
Silver London Fix(\$/oz)	22.29

Bullion Futures DGCX

Description	Contract	LTP
Gold(\$/oz)	FEB. 24	2051.4
Gold Quanto	APR. 24	62544
Silver(\$/oz)	MAR. 24	22.32

Gold Ratio

Description	LTP
Gold Silver Ratio	91.76
Gold Crude Ratio	27.78

Weekly CFTC Positions

	Long	Short	Net
Gold(\$/oz)	122948	50972	71976
Silver	33316	28270	5046

MCX Indices

Index	Close	Net Change	% Chg
MCX iCOMDEX Bullion	16032.16	-35.58	-0.22 %

Macro-Economic Indicators

Time	Country	Event	Forecast	Previous	Impact
08th February 07:00 PM	United States	Unemployment Claims	221K	224K	High
08th February 07:00 PM	United States	FOMC Member Barkin Speaks - Due to participate in an interview conducted by Bloomberg Television	-	-	Medium
08th February 10:35 PM	United States	FOMC Member Barkin Speaks - Due to speak at the Economic Club of New York	-	-	Medium

Nirmal Bang Securities - Daily Bullion News and Summary

❖ Gold fluctuated yesterday as traders mulled cautious remarks from policymakers and the threat of contagion from US commercial property market woes. Federal Reserve Governor Adriana Kugler presented an optimistic case for a continued slowdown in US inflation during remarks Wednesday in Washington, indicating there's little urgency to reduce the Fed's benchmark lending rate soon. Federal Reserve Bank of Minneapolis President Neel Kashkari said in a CNBC interview that officials would like to see "a few more months" of inflation data before cutting rates, adding that he thinks two to three cuts will likely be appropriate for 2024. Meanwhile, New York Community Bancorp has been reaching out to investors for capital to finance a large portfolio of residential mortgages as pressures on the regional lender mount. The development added to fears that US real estate troubles are spreading to Japan and Europe. Such concerns saw swap markets pricing in nearly five cuts by the Fed this year on views that if banking woes worsen, the US central bank may need to step in and shore up the sector.

❖ Some Russian banks appear to have maneuvered around a ban on shipping dollars and euros to the country by trading gold in the United Arab Emirates and Turkey, according to research from a financial-intelligence company. The sanctions on the export of banknotes were introduced after the Kremlin's invasion of Ukraine. The report compiled by Sayari found that in the first quarter of 2023, the financial institutions — which include Lanta Bank JSC, whose owners control gold miner GV Gold, and at least one lender that is not sanctioned — imported more than the equivalent of \$82 million in euros, dollars and UAE dirhams. The data shows that several of the same entities used to ship cash to Russia also imported gold from Russia within similar timeframes. Bloomberg was unable to independently corroborate all the trade and company data, and it's not clear if the banks are still using the gold-for-cash strategy. Sayari's data indicated that various Russian lenders kept shipping gold for banknotes through at least July or August of last year, said Zachary Tvarozna, a senior analyst at the firm. He said that gold deliveries seem to have expanded to Hong Kong, in addition to the UAE and Turkey. The Washington-based commercial risk intelligence provider gathered the data on Russian trade from so-called bills of lading, which typically include the names of the importer and exporter as well as other details regarding the shipments. The apparent circular trades flowed through a network of intermediaries, according to the report, which noted that the data didn't indicate who the ultimate recipients of the currencies were or if they had ties to sanctioned Russian entities. The UAE "is fully aware of its responsibilities in protecting of the integrity of the global finance system," a UAE official said Wednesday in an emailed statement. "It will continue to take these responsibilities extremely seriously, especially given the current geopolitical environment. The UAE strictly abides by UN sanctions and has clear and robust processes in place to deal with sanctioned entities."

❖ Federal Reserve Bank of Minneapolis President Neel Kashkari said officials would like to see "a few more months" of inflation data before cutting interest rates, adding that he thinks two to three cuts will likely be appropriate for 2024. "We're not looking for better inflation data, we're just looking for additional inflation data that is also at around this 2% level," Kashkari said Wednesday on CNBC. "If we get to see a few more months of that data, I think that will give us a lot of confidence." He also said the labor market will dictate the speed at which the Fed lowers interest rates, noting if the jobs market remains strong; it will give the central bank the flexibility to move slowly. Kashkari's projection of two to three rate cuts is slightly more hawkish than December's median estimate among policymakers for three quarter-point reductions, though markets are pricing in as many as five cuts. Kashkari, who does not vote on monetary policy decisions this year, wrote in an essay published earlier this week that Fed officials have time to assess incoming data before lowering rates, citing changes in the post-pandemic economy. Fed officials have left interest rates unchanged since July and have signaled the central bank's next move is likely a cut. Several officials — including Chair Jerome Powell — have indicated they're not in a rush to do so, helping shift market expectations for the timing of the first interest-rate cut toward May or June. The Minneapolis Fed chief also said the central bank is watching commercial real estate closely, though he said he doesn't presently see it as a systemic risk.

❖ Four Fed officials suggested Wednesday they don't see an urgent case for lowering interest rates, adding to a roster of policymakers in recent days who made clear a cut isn't likely until May at the earliest. Governor Adriana Kugler, Boston Fed President Susan Collins, Minneapolis Fed chief Neel Kashkari and Richmond's Thomas Barkin were all noncommittal on when the US central bank can start reducing the Fed's benchmark lending rate from a two-decade high, despite a marked improvement in inflation last year. The remarks largely echo the message delivered over the past week by Fed Chair Jerome Powell, who emphasized that the US central bank isn't ready to begin rate cuts until policymakers are sure inflation is headed toward the Fed's 2% target, making a cut at the March 19-20 meeting unlikely. Investors have pared bets on a March rate reduction and are setting their sights on the Fed's subsequent decision on May 1, but still see a slim possibility of an earlier move. Kugler, in her first public remarks since joining the Fed in September, said she's optimistic that inflation progress will continue, but stopped short of offering a timeline for when officials may be able to reduce borrowing costs. "At some point, the continued cooling of inflation and labor markets may make it appropriate to reduce the target range for the federal funds rate," Kugler said at the Brookings Institution in Washington, adding that she'll be watching economic data closely to verify that inflation is continuing to decline. Collins, who doesn't vote on monetary policy this year, said she's looking for more evidence that inflation is on track toward 2% before moving to cut interest rates, though that step is likely "later this year." "Seeing sustained, broadening signs of progress should provide the necessary confidence I would need to begin a methodical adjustment to our policy stance," Collins said at the Boston Economic Club. She added it will be appropriate to begin easing policy before the end of the year.

Fundamental Outlook: Gold and silver prices are trading flat today on the international bourses. We expect gold and silver prices to trade range-bound for the day, as investors weighed cautious remarks from US policymakers against signs in the Treasury market of confidence that the Federal Reserve will eventually cut interest rates.

Key Market Levels for the Day

Time	Month	S3	S2	S1	R1	R2	R3
Gold – COMEX	Apr	2000	2020	2045	2055	2070	2085
Silver – COMEX	Mar	21.85	22.00	22.25	22.40	22.58	22.75
Gold – MCX	Apr	62000	62200	62400	62650	62850	63000
Silver – MCX	Mar	69000	69700	70200	70800	71300	71850

Nirmal Bang Securities - Daily Currency Market Update

Dollar Index

LTP/Close	Change	% Change
104.06	-0.16	-0.15

Bond Yield

10 YR Bonds	LTP	Change
United States	4.1211	0.0211
Europe	2.3150	0.0240
Japan	0.7180	-0.0050
India	7.0730	-0.0190

Emerging Market Currency

Currency	LTP	Change
Brazil Real	4.9717	0.0126
South Korea Won	1327.7	0.1500
Russia Rubble	91.2752	0.6002
Chinese Yuan	7.1949	0.0048
Vietnam Dong	24419	48
Mexican Peso	17.0512	0.0139

NSE Currency Market Watch

Currency	LTP	Change
NDF	83.07	-0.01
USDINR	83.0375	-0.075
JPYINR	56.295	0.165
GBPINR	104.85	0.5575
EURINR	89.5075	0.21
USDJPY	147.61	-0.42
GBPUSD	1.2627	0.0072
EURUSD	1.0779	0.0036

Market Summary and News

❖ Indian bond traders will look forward to RBI monetary policy panel's rate decision on Thursday with focus on whether the authority signals any pivot to a dovish stance. Traders will watch if the central bank changes its stance to 'neutral' from 'withdrawal of accommodation.' Governor Shaktikanta Das' comments on liquidity will be closely watched to see whether RBI takes any steps to ease tight cash conditions. We expect the RBI to keep the policy repo rate unchanged in the upcoming monetary policy, says Pankaj Pathak, fund manager-fixed income at Quantum Asset Management. However, there is a strong case for the RBI to change its stance from "withdrawal of accommodation" to "neutral." The RBI may announce some measures to address the persistent liquidity challenge in the banking system. The RBI might announce LTROs (long term repo operations) or FX swaps to infuse liquidity in a time bound manner. USD/INR fell 0.1% to 82.9688 on Wednesday. Implied opening from forwards suggest spot may start trading around 82.94.

❖ The dollar stayed in a narrow trading range and currency volatilities fell as the S&P 500 rose to a fresh record high on earnings optimism. The Swiss franc slipped against its G-10 peers as speculation grows that the central bank will look to weaken the currency. The Bloomberg Dollar Spot Index was barely changed in modest turnover after slipping 0.3% Tuesday; the Swedish krona was the best-performing currency in the G-10 sphere. Treasury 10-year yields little changed at 4.10% after a record \$42 billion auction was well received. Consumer credit in Dec. rose \$1.6b versus an estimate of \$16.0b. Federal Reserve Bank of Minneapolis President Neel Kashkari said officials need to see "a few more months" of inflation data before cutting interest rates, adding that he thinks two to three cuts will likely be appropriate for 2024. Federal Reserve Governor Adriana Kugler presented an optimistic case for a continued slowdown in US inflation while indicating there is little urgency to reduce the Fed's benchmark lending rate soon. New York Community Bancorp is in talks to offload mortgages a day after rating was cut to junk. GBP/USD climbed as much as 0.4% to the day's high of 1.2642 after data showed a strong rise in UK house prices in January. EUR/USD rose as much as 0.3% to 1.0784, though failed to top its nearby 100-DMA. "Even though EUR/USD has come lower, the FX options market suggests there has been little conviction about the move," Chris Turner, head of FX strategy at ING Bank NV in London, wrote in a note, noting that volatility in the pair has barely moved in the past month. The Swiss franc fell the most in nearly two months against the euro, remaining under pressure due to its low yields and speculation the central bank was rebuilding currency reserves; CHF/JPY touched its lowest level since Jan. 9. USD/JPY was up 0.2% at 148.17 amid US share gains. Traders await a speech and press conference by Bank of Japan Deputy Governor Shinichi Uchida on Thursday for any hint on when the central bank will end negative interest rates. USD/CAD fell 0.2% to 1.3464 as rising oil prices and higher Canadian government yields buoyed the loonie. Minutes of the Bank of Canada January meeting confirmed policymakers have shifted their thinking from how high borrowing costs need to rise, to how long they need to remain restrictive in order to bring inflation back to the 2% target. AUD/USD slips marginally to 0.6518 amid lower copper prices and a weaker offshore yuan; touches two-month low versus kiwi. Analysts at Citibank take profit on long AUDUSD at 0.6525 for a gain of 2.7% saying "we stayed in the trade too long and overestimated the ability for positive AUD factors to offset the USD rally and bearish sentiment on China."

❖ The equity benchmark for emerging-market stocks on Wednesday held above the psychological 1,000-point even as optimism over China's stimulus plans faded. MSCI Inc.'s EM stocks index rose for the second day to the highest level since Jan. 4, trimming this year's decline to 2.07%. A rally in Chinese shares slows as investors await details of proposed supportive measures amid skepticism the stimulus can address core problems in world's second-largest economy. EM currency index closed flat on Wednesday as speeches by Fed officials suggested they don't see an urgent case for lowering interest rates, adding to a roster of policymakers in recent days that made clear a cut isn't likely until May at the earliest. Emerging-market debt saw \$42.7b of inflows last month, even as equities from developing nations recorded outflows, according to estimates from the Institute of International Finance. EM debt, ex-China, has seen roughly \$115b of inflows since October, economist Jonathan Fortun wrote in a Wednesday note. Hard-currency debt sales in January from Mexico, Poland and Saudi Arabia helped attract inflows. Argentina's dollar bonds across the curve were the worst performers in emerging-markets after the country's governing coalition sent President Javier Milei's reform package back to square one in congress. Kenya's government offered to buy back its \$2 billion of eurobonds that mature in June and announced plans to issue new debt. The yield on the 2024 securities plummeted. Notes due in 2027 were the best performers among developing nations tracked by Bloomberg. Ecuador bonds were also among the top gainers after President Daniel Noboa continued his push to increase the value-added tax to 15% hours after it failed to pass the National Assembly. Poland's central bank left its benchmark interest rate unchanged for the fourth consecutive month as markets and policymakers weigh whether inflation risks warrant bringing a monetary easing cycle to an end.

Key Market Levels for the Day

	S3	S2	S1	R1	R2	R3
USDINR Spot	82.7825	82.8475	82.9055	83.0075	83.0650	83.1275

Nirmal Bang Securities - Bullion Technical Market Update

Gold Market Update



Market View	
Open	62515
High	62730
Low	62401
Close	62524
Value Change	-50
% Change	-0.08
Spread Near-Next	364
Volume (Lots)	3515
Open Interest	14312
Change in OI (%)	-0.64%

Gold - Outlook for the Day

SELL GOLD APR (MCX) AT 62650 SL 62850 TARGET 62400/62200

Silver Market Update



Market View	
Open	70381
High	70550
Low	70080
Close	70311
Value Change	-283
% Change	-0.4
Spread Near-Next	1339
Volume (Lots)	15645
Open Interest	32470
Change in OI (%)	0.42%

Silver - Outlook for the Day

SELL SILVER MARCH (MCX) AT 70500 SL 71100 TARGET 69700/69500

Nirmal Bang Securities - Currency Technical Market Update

USDINR Market Update



Market View	
Open	83.105
High	83.11
Low	82.995
Close	83.0375
Value Change	-0.075
% Change	-0.0902
Spread Near-Next	0.1953
Volume (Lots)	1552086
Open Interest	2391627
Change in OI (%)	2.73%

USDINR - Outlook for the Day

The USDINR future witnessed a flat opening at 83.10, which was followed by a session that showed selling from higher level with candle closures near low. A red candle formed by the USDINR price closed below 10-days moving average placed at 83.13. On the daily chart, the MACD showed a negative crossover below the zero-line, while the momentum indicator, RSI has trailing between 38-46 levels. We are anticipating that the price of USDINR futures will fluctuate today between 82.95 and 83.12.

Key Market Levels for the Day

	S3	S2	S1	R1	R2	R3
USDINR February	82.9025	82.9575	83.0075	83.1075	83.1525	83.2075

Nirmal Bang Securities – Commodity Research Team

Name	Designation	Email
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
Utkarsh Dubey	Currency Research Associate	Utkarsh.dubey@nirmalbang.com

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