

Daily Bullion Physical Market Report

Date: 08th July 2024

Daily India Spot Market Rates

Description	Purity	AM	PM
Gold	999	72678	72640
Gold	995	72387	72349
Gold	916	66573	66538
Gold	750	54509	54480
Gold	585	42517	42494
Silver	999	90714	90709

Rate as exclusive of GST as of 05th July 2024 Gold is Rs/10 Gm & Silver in Rs/Kg

Gold and Silver 999 Watch

Date	GOLD*	SILVER*
05 th July 2024	72640	90709
04 th July 2024	72469	90018
03 rd July 2024	72226	89698
02 nd July 2024	71692	88015

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

COMEX Futures Watch

Description	Contract	Close	Change	%Chg
Gold(\$/oz)	AUG 24	2397.70	36.00	1.54
Silver(\$/oz)	SEPT 24	31.69	1.18	3.99

ETF Holdings as on Previous Close

ETFs	In Tonnes	Net Change
SPDR Gold	834.80	1.43
iShares Silver	13,688.66	102.40

Gold and Silver Fix

Description	LTP
Gold London AM Fix(\$/oz)	2365.35
Gold London PM Fix(\$/oz)	2379.05
Silver London Fix(\$/oz)	30.58

Bullion Futures DGCX

Description	Contract	LTP
Gold(\$/oz)	AUG 24	2396.9
Gold Quanto	AUG 24	73071
Silver(\$/oz)	SEPT 24	31.33

Gold Ratio

Description	LTP
Gold Silver Ratio	75.66
Gold Crude Ratio	28.83

Weekly CFTC Positions

	Long	Short	Net
Gold(\$/oz)	197885	13175	184710
Silver	51426	18436	32990

MCX Indices

Index	Close	Net Change	% Chg
MCX iCOMDEX Bullion	18643.10	-14.93	-0.08 %

Macro-Economic Indicators

Time	Country	Event	Forecast	Previous	Impact
08 th July 06:00 PM	United States	NO DATA	-	-	Low

Nirmal Bang Securities - Daily Bullion News and Summary

- Gold jumped to a six-week high on Friday after US hiring data pointed to a gradual cooling in the labor market that bolstered expectations for lower interest rates in the coming months. Bullion was up 1.4% to \$2,389.35 an ounce in New York on Friday, climbing on data from the US Bureau of Labor Statistics that showed US hiring and wage growth stepped down in June while the jobless rate edged up. Gold drifted in a relatively narrow trading range for most of the past month, but has jumped 2.7% this week as expectations build for a September rate cut. Silver advanced 3.3%, while the Bloomberg Dollar Spot Index and 10-year US Treasury yields were both on course for weekly declines.

- China’s central bank didn’t buy any gold for a second month in June, as the precious metal edged lower from a record high. Bullion held by the People’s Bank of China was unchanged at 72.8 million troy ounces at the end of last month, according to official data released on Sunday. The central bank opted not to add to reserves in May, ending an 18-month buying spree that helped push gold prices to their highest ever. Some analysts still believe that purchases will resume as the world’s second-biggest economy seeks to diversify its reserves and guard against currency depreciation. About 20 central banks still expect to raise their gold holdings in the coming year, spurred by heightened geopolitical and financial risks, according to a World Gold Council report. It’s possible that soaring gold prices have deterred purchases. The precious metal hit an all-time high above \$2,400 an ounce in May, and has since edged lower as investors wound back bets on US rate cuts this year. When the PBOC published data on the May buying pause, gold suffered its biggest intraday fall in nearly three years.--With assistance from Tian Ying.

- India’s central bank probably increased its gold reserves by the most in almost two years last month, according to a World Gold Council analyst. The Reserve Bank of India added more than nine tons in June, based on calculations using weekly data from the bank, Krishan Gopaul said in a post on social medial platform X. That’s the most since July 2022, and means India’s reserves have expanded by 37 tons this year to 841 tons, he said. Central bank buying has been a key driver of bullion’s rally this year that sent prices to a record in May. The size of purchases has been a big focus and question mark for the market, as they can be delayed or not reported fully. A large number of central banks still planned to buy gold in the coming year, spurred by heightened geopolitical and financial risks that make owning the metal more attractive, according to a recent survey by the WGC. About 20 planned to raise their holdings, according to the survey, which didn’t disclose which nations expect to buy. India has been a major buyer of gold in recent years, alongside countries such as China and Turkey. The Reserve Bank of India also moved 100 tons of its gold from the UK back to its domestic vaults, the Times of India reported in May.

- Zimbabwe’s new central bank Governor John Mushayavanhu has done the seemingly impossible in his first 100 days - created a stable currency and tamed price pressures in a nation that’s been a poster-child for hyperinflation and crashing currencies. His efforts have both enthused and drawn skepticism. A team from the International Monetary Fund, who visited the country last month, hailed the governor’s introduction of the ZiG, short for Zimbabwe Gold, for ending a bout of currency instability. The veteran banker unveiled the ZiG and set the policy rate at 20% a week after becoming governor, putting down a marker for his new tenure. The ZiG - the nation’s sixth attempt at having a functioning local currency in the last 15 years - replaced the Zimbabwean dollar that lost 80% of its value against the greenback in 2024. Its rapid decline led locals to dump it for the US dollar, which is now used in more than 80% of transactions. Since its introduction, the ZiG has been relatively stable and kept monthly inflation in check, helped in part by Mushayavanhu’s zero-tolerance of the parallel market, which has been blamed for speculation. Law enforcement agencies have arrested street currency dealers in their droves. Zimbabwean President Emmerson Mnangagwa said earlier this week the ZiG may even be fast-tracked to become the sole legal tender within two years. That puts at risk the use of US dollars ahead of a 2030 deadline when the current multicurrency system ends. The ZiG was trading at 13.69 against the dollar on Friday, 1% lower than its April 8 debut. In late June, the bullion-backed unit was assigned a currency code, ZWG, by the International Standard Organization, the central bank said. Mushayavanhu has also vowed to stick with orthodox monetary policy and avoid printing money—which plagued his predecessors. The tight money supply has reflected on Harare’s benchmark stock index which has only risen 45% since it was rebased to ZiG in contrast to the gains of over 300% made in the first quarter of this year.

- Exchange-traded funds added 61,085 troy ounces of gold to their holdings in the last trading session, bringing this year’s net sales to 4.29 million ounces, according to data compiled by Bloomberg. This was the third straight day of growth. The purchases were equivalent to \$144 million at the previous spot price. Total gold held by ETFs fell 5 percent this year to 81.3 million ounces, the highest level since April 22. Gold advanced 14 percent this year to \$2,356.69 an ounce and by 1.1 percent in the latest session. State Street’s SPDR Gold Shares, the biggest precious-metals ETF, boosted its holdings by 46,240 ounces in the last session. The fund’s total of 26.8 million ounces has a market value of \$63.3 billion. ETFs also added 4.31 million troy ounces of silver to their holdings in the last trading session, bringing this year’s net sales to 5.83 million ounces.

Fundamental Outlook: Gold and silver prices are trading lower today on the international bourses. We expect gold and silver prices to trade ranger-bound to slightly higher for the day, as gold prices steadied after the biggest weekly advance in three months, with central-bank purchasing patterns in focus.

Key Market Levels for the Day

Time	Month	S3	S2	S1	R1	R2	R3
Gold – COMEX	August	2345	2370	2385	2400	2430	2450
Silver – COMEX	September	30.70	31.00	31.25	31.40	31.65	31.90
Gold – MCX	August	72200	72450	72700	73000	73200	73450
Silver – MCX	September	91300	92000	92800	93500	94200	94800

Nirmal Bang Securities - Daily Currency Market Update

Dollar Index

LTP/Close	Change	% Change
104.88	-0.59	-0.56

Bond Yield

10 YR Bonds	LTP	Change
United States	4.2784	-0.0803
Europe	2.5530	-0.0530
Japan	1.0790	-0.0020
India	6.9930	-0.0070

Emerging Market Currency

Currency	LTP	Change
Brazil Real	5.4601	-0.0252
South Korea Won	1380.95	-0.1000
Russia Rubble	87.9239	-1.0761
Chinese Yuan	7.2683	0.0001
Vietnam Dong	25417	-38
Mexican Peso	18.1061	0.0022

NSE Currency Market Watch

Currency	LTP	Change
NDF	83.54	-0.04
USDINR	83.5525	-0.01
JPYINR	52.055	0.06
GBPINR	106.715	0.2725
EURINR	90.435	0.22
USDJPY	160.32	-0.03
GBPUSD	1.2788	0.003
EURUSD	1.0815	0.0025

Market Summary and News

□ Traders are once again betting that Federal Reserve officials will lower interest rates twice this year as a mixed report on the US labor market drags US Treasury yields lower. US bond yields slid on Friday, with those on two- to five-year notes down as much as 10 basis points to session lows. The two-year yield fell as low as 4.60%, the lowest since April 1 and well below a 2024 peak of 5.04%. While the US government's June employment report showed job creation was above forecast, prior months were revised lower and the unemployment rate rose. The report emboldened derivative traders, who are once again fully pricing in two quarter-point rate cuts this year. They see about a 76% chance that Fed Chair Jerome Powell and his colleagues cut rates as soon as September. The employment data adds to a list of factors driving the world's biggest bond market. Investors are on high alert for any developments on President Joe Biden's reelection campaign after his recent debate performance. Next week's fresh readings on US inflation, including June consumer price data out on Thursday, will also be closely watched in markets. Powell's semiannual monetary-policy report to the Senate and the House will also be monitored for any clues on the central bank's path ahead. Traders have been attempting to time the first rate reduction for much of this year, with at least two 2024 rate reductions priced in intermittently throughout the first half. As of Wednesday's close, before the Fourth of July holiday, traders had been pricing in 47 basis points worth of easing this year. On Friday, Bureau of Labor Statistics data showed nonfarm payrolls rose by 206,000 last month and job growth in the prior two months was revised down by 111,000. The unemployment rate rose to 4.1% as more people entered the labor force, and average hourly earnings growth cooled. While the report was supportive of bullish expectations in the bond market for the dawn of the Fed's monetary easing cycle, it wasn't enough to lock in the timing of the first rate cut. Policymakers have kept benchmark rates in a range of 5.25% to 5.50% for a year.

□ India's sovereign 10-year bond was steady on Friday, with the Reserve Bank of India selling 280 billion rupees (\$3.4b) of bonds as planned at its weekly auction. The rupee was little changed. USD/INR little changed at 83.4937; up 0.1% this week. 10-year yields edged lower by 1bps to 6.99%; down about 2bps in the week. The RBI drained INR617.3b through a three-day variable rate reverse repo (VRRR) auction on Friday versus an INR1t plan. "The FY25 fiscal deficit target could be reduced to 5% of GDP vs. the interim budget target of 5.1%," Gaura Sen Gupta, chief economist at IDFC FIRST Bank Economics Research wrote in a note on the upcoming budget. "The lower fiscal deficit target provides space to cut government securities borrowing by 330 billion rupees." "The high government cash surplus provides flexibility to further reduce government securities borrowing." "Gross government securities issuance is estimated at 13.8 trillion rupees vs interim budget estimate of 14.1 trillion rupees." "Full year net t-bill issuance is likely to be closer to 12 billion rupees," she added. "In the interim budget, net t-bill issuance estimate was at 500 billion rupees." Foreigners have invested about 34 billion rupees (\$407 million) into India's FAR bonds in the week since the first bit of the country's debt was included in a key global index, according to CIL data.

□ Emerging-market currencies and stocks broadly gained on Friday after US payrolls data signaled that the economy is cooling, reinforcing bets that the Federal Reserve is gearing up to start cutting rates as early as September. Treasury yields fell and the dollar was weaker. The MSCI EM Currency Index closed little changed after end-of-session adjustment; the index accumulated gains of 0.1% this week, the most since June 7. The Brazilian real rose for a third straight session, recording its biggest weekly jump since September as markets welcomed the government's spending-cut plans. Traders cheered the latest signs that US hiring and wage growth is slowing, consistent with other soft US economic readings this week. Nonfarm payrolls rose by 206,000 last month, while jobs growth in the prior two months was revised down by 111,000, the Bureau of Labor Statistics said Friday. The median forecast in a Bloomberg survey of economists called for a 190,000 increase in June. The unemployment rate rose to 4.1%, and average hourly earnings cooled. The MSCI gauge for emerging-market stocks gained 0.1%, recording its best weekly performance in nearly a month. Next week, traders will be closely following the latest readings on US inflation, including June consumer price data out on Thursday. Fed chair Jerome Powell's semiannual monetary-policy report to the Senate and the House will also be monitored for any clues on the central bank's path ahead. Across the region, Romania cut borrowing costs for the first time since 2021 as a slowdown in inflation opened the way for gradual monetary easing even as policymakers keep an eye on fiscal risks.

Key Market Levels for the Day

	S3	S2	S1	R1	R2	R3
USDINR SPOT	83.3750	83.4125	83.4675	83.5225	83.5725	83.6150

Nirmal Bang Securities - Bullion Technical Market Update

Gold Market Update



Market View	
Open	72412
High	73149
Low	72205
Close	73051
Value Change	684
% Change	0.95
Spread Near-Next	393
Volume (Lots)	6454
Open Interest	13773
Change in OI (%)	-1.50%

Gold - Outlook for the Day

BUY GOLD AUG (MCX) AT 72700 SL 72450 TARGET 73000/73200

Silver Market Update



Market View	
Open	92211
High	94186
Low	91499
Close	93554
Value Change	1593
% Change	1.73
Spread Near-Next	-1304
Volume (Lots)	24909
Open Interest	24411
Change in OI (%)	6.45%

Silver - Outlook for the Day

BUY SILVER SEPT (MCX) AT 92800 SL 92000 TARGET 93800/94500

Nirmal Bang Securities - Currency Technical Market Update

USDINR Market Update



Market View	
Open	83.5300
High	83.5600
Low	83.5200
Close	83.5525
Value Change	-0.0100
% Change	-0.0120
Spread Near-Next	-0.2255
Volume (Lots)	119342
Open Interest	2472664
Change in OI (%)	-0.0079

USDINR - Outlook for the Day

The USDINR future witnessed a gap-down opening at 83.53, which was followed by a session where price shows minimal buying from lower level with candle closures near open. A small candle formed by the USDINR price where price closed above short-term moving averages. The pair has trading in choppy range from last one month. On the daily chart, the MACD showed a negative crossover above zero-line, while the momentum indicator, RSI trailing between 48-53 levels showed positive indication. We are anticipating that the price of USDINR futures will fluctuate today between 83.47 and 83.58.

Key Market Levels for the Day

	S3	S2	S1	R1	R2	R3
USDINR JULY	83.4125	83.4650	83.5075	83.5825	83.6250	83.6775

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