

## Daily Bullion Physical Market Report

Date: 09<sup>th</sup> February 2024

### Daily India Spot Market Rates

Description	Purity	AM	PM
Gold	999	62632	62612
Gold	995	62381	62361
Gold	916	57371	57353
Gold	750	46974	46959
Gold	585	36640	36628
Silver	999	69903	69950

Rate as exclusive of GST as of 08<sup>th</sup> February 2024 Gold is Rs/10 Gm & Silver in Rs/Kg

### Gold and Silver 999 Watch

Date	GOLD*	SILVER*
08 <sup>th</sup> February 2024	62612	69950
07 <sup>th</sup> February 2024	62646	69866
06 <sup>th</sup> February 2024	62479	69984
05 <sup>th</sup> February 2024	62512	70417

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

### COMEX Futures Watch

Description	Contract	Close	Change	%Chg
Gold(\$/oz)	APR 24	2047.90	-3.80	-0.19
Silver(\$/oz)	MAR 24	22.64	0.28	1.23

### ETF Holdings as on Previous Close

ETFs	In Tonnes	Net Change
SPDR Gold	847.69	-4.03
iShares Silver	13,685.37	0.00

### Gold and Silver Fix

Description	LTP
Gold London AM Fix(\$/oz)	2037.05
Gold London PM Fix(\$/oz)	2028.65
Silver London Fix(\$/oz)	22.35

### Bullion Futures DGCX

Description	Contract	LTP
Gold(\$/oz)	FEB. 24	2047.2
Gold Quanto	APR. 24	62463
Silver(\$/oz)	MAR. 24	22.65

### Gold Ratio

Description	LTP
Gold Silver Ratio	90.47
Gold Crude Ratio	26.87

### 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	16005.10	18.91	0.12 %

### Macro-Economic Indicators

Time	Country	Event	Forecast	Previous	Impact
09th February 07:00 PM	United States	NO DATA	-	-	Low

## Nirmal Bang Securities - Daily Bullion News and Summary

❖ Gold pared losses yesterday as traders digested a US unemployment report while awaiting a \$25 billion sale of 30-year bonds. Applications for US unemployment benefits fell for the first time in three weeks, suggesting employers are still largely holding on to their workers. Initial claims decreased to 218,000 in the week ended Feb. 3, Labor Department data showed Thursday, below the 220,000 median forecast in a Bloomberg survey of economists. Bullion fell as much as 0.7% immediately after the print before paring some declines. Bullion has held above \$2,000 since mid-December on expectations that the Federal Reserve will pivot to easing this year. Ongoing geopolitical concerns have also lent strong support to the precious metal. While recent US data points to the resilience of the economy in the face of higher rates, investors are still reassessing the timing and size of the Fed’s rate reduction path. Swaps markets have pared bets on a March rate reduction in recent weeks, and are now setting their sights on the Fed’s May 1 decision. Higher rates are typically negative for the non-interest bearing metal.

❖ Exchange-traded funds cut 189,255 troy ounces of gold from their holdings in the last trading session, bringing this year’s net sales to 1.95 million ounces, according to data compiled by Bloomberg. This was the biggest one-day decrease since Dec. 19 and the 15th straight day of declines, the longest losing streak since Sept. 21. The sales were equivalent to \$385.2 million at yesterday’s spot price. Total gold held by ETFs fell 2.3 percent this year to 83.6 million ounces, the lowest level since Jan. 22, 2020. Gold declined 1.3 percent this year to \$2,035.36 an ounce and remained little changed in the latest session. State Street’s SPDR Gold Shares, the biggest precious-metals ETF, pared its holdings by 129,690 ounces in the last session. The fund’s total of 27.3 million ounces has a market value of \$55.5 billion. ETFs added 4.38 million troy ounces of silver to their holdings in the last trading session, bringing this year’s net purchases to 408,077 ounces.

❖ Iraq’s central bank increased its gold reserves last month and plans more purchases this year, according to a senior official. The country bought nearly 2.3 tons of bullion at the end of January at an average price \$2,037 per ounce, bringing total holdings to 145 tons, said Mazin Sabah, director general of the central bank’s investments department. Future purchases will take Iraq’s holdings to a record, he said. “The rise in crude oil prices, which significantly enhanced the accumulation of reserves, helped increase the bank’s gold holdings,” he said.

❖ Federal Reserve Bank of Richmond President Thomas Barkin reiterated policymakers have time to be patient about the timing of rate cuts, pointing to a strong labor market and continued disinflation. “No one wants inflation to reemerge,” Barkin said Thursday in prepared remarks at an Economic Club of New York event. “And given robust demand and a historically strong labor market, we have time to build that confidence before we begin the process of toggling rates down.” While Barkin acknowledged that the recent data have been “remarkable,” he said he’s looking for more conviction that slowing inflation is “broadening and sustainable.” Barkin, who is a voting member of the Fed’s policy-setting committee this year, said earlier in an interview on Bloomberg Television he “would very much like to see that trend continue and broaden” as policymakers get a “few more months” of inflation data. He noted the outsized role goods have played in the pullback in US price growth. The Fed held interest rates steady for a fourth straight meeting last month. Chair Jerome Powell and other officials have doused expectations for a cut as soon as March, saying the policy committee wants to see more data to gain confidence that inflation is on a sustained path to 2%. When asked if he agreed with Powell’s description of a March cut as unlikely, Barkin said, “I don’t ever prejudge a meeting and I don’t prejudge the March meeting.” “We’ll see where we get, but I always think Chairman Powell speaks for the committee,” he said. Barkin also outlined several risks to the inflation outlook in his prepared remarks, including loosening financial conditions and a rebound in consumer sentiment. He also flagged broader shifts in the economy driven the pandemic that could keep upward pressure on prices, including a tight labor market and lack of housing supply. The Fed’s preferred inflation metric ended 2023 at 2.6%, after peaking at a 7.1% annual pace in 2022. The central bank’s target is 2%. The deceleration occurred amid resilient growth with little disruption to employment. The Bureau of Labor Statistics reported Friday that nonfarm payrolls rose by 353,000 jobs in January. The unemployment rate stood at 3.7% and has held below 4% for about two years. Fed officials in December predicted they would reduce their benchmark lending rate three times in 2024, according to the median estimate. Barkin said the risk of commercial real estate stress is a known and important issue. “In the banks that we supervise, we’re spending a lot of time with them and productively going through real estate assets and trying to understand what the risks are and what the reserves are against those risks,” he said.

❖ The European Central Bank requires more assurance that inflation is returning to its target in order for policymakers to be able to lower interest rates, according to Chief Economist Philip Lane. Signaling again that he prefers not to rush policy easing, Lane said Thursday in a speech that while the disinflation process may be unfolding more quickly than anticipated at the moment, the medium-term outlook is less clear. “In terms of an overall evaluation of our policy trajectory, we need to be further along in the disinflation process before we can be sufficiently confident that inflation will hit the target in a timely manner and settle at target sustainably,” Lane said at the Brookings Institution in Washington. ECB officials are increasingly confident that inflation is heading back to 2% and are gearing up to start lowering rates later this year. Some are signaling a first cut is possible in April — an outcome investors are leaning toward. Others are looking at the following meeting, in June, by which time they’ll have seen crucial wage data. “We do have a kind of a plausible and I think economically meaningful upside risk in this wage issue,” Lane said. “The risks around the 2% target are two-sided.” On Wednesday, Executive Board Member Isabel Schnabel urged policymakers to be “patient and cautious.” In an interview with the Financial Times, she warned against premature action in light of stubborn services inflation, a resilient labor market, a loosening of financial conditions and tensions in the Red Sea. Price growth in the euro area was somewhat stronger than expected at the start of the year — cooling to 2.8% from 2.9% in December. Meanwhile, the 20-nation bloc narrowly avoided a recession in the latter half of 2023, though its prospects are weak. Speaking earlier in the day, Governing Council member Pierre Wunsch had a similar view to Lane, preferring to wait for more data — particularly on workers’ pay — before deciding to start cutting rates. Lane said the ECB’s decisions on borrowing costs must carefully weigh opposing risk factors.

**Fundamental Outlook:** Gold and silver prices are trading flat today on the international bourses. We expect gold and silver prices to trade range-bound to slightly higher for the day, as bullion was little changed in early Asian trading despite gains in Treasury yields and the dollar on Thursday. The latest US jobless claims report added to evidence of a still-strong labor market, supporting recent cautious rhetoric from central bankers including Federal Reserve Bank of Richmond President Thomas Barkin.

### 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	22.25	22.45	22.60	22.80	23.00	23.30
Gold – MCX	Apr	62000	62200	62400	62650	62850	63000
Silver – MCX	Mar	69200	69900	70500	71300	72000	72600

## Nirmal Bang Securities - Daily Currency Market Update

### Dollar Index

LTP/Close	Change	% Change
104.17	0.11	0.10

### Bond Yield

10 YR Bonds	LTP	Change
United States	4.1540	0.0329
Europe	2.3520	0.0380
Japan	0.7050	-0.0130
India	7.0790	0.0060

### Emerging Market Currency

Currency	LTP	Change
Brazil Real	4.9972	0.0255
South Korea Won	1328.25	0.5500
Russia Rubble	91.121	-0.1542
Chinese Yuan	7.1967	0.0018
Vietnam Dong	24426	7
Mexican Peso	17.1462	0.095

### NSE Currency Market Watch

Currency	LTP	Change
NDF	83.06	0.01
USDINR	83.0275	-0.01
JPYINR	55.86	-0.435
GBPINR	104.7	-0.15
EURINR	89.4925	-0.015
USDJPY	148.58	0.97
GBPUSD	1.2618	-0.0009
EURUSD	1.0776	-0.0003

### Market Summary and News

❖ The greenback edged up amid rising Treasury yields following policy comments from Federal Reserve Bank of Richmond President Thomas Barkin and higher oil prices. The yen continued to trade defensively after earlier dovish-leaning comments from the Bank of Japan's Deputy Governor Shinichi Uchida. The Bloomberg Dollar Spot Index was up 0.2%, influenced by a 0.7% drop in the Mexican peso after the central banks left policy rates unchanged. Implied volatilities were lower across most G-10 currencies and tenors with one-month BBDXY vol sliding to a new two-year low at 6.52%. The yield on 10-year Treasuries rose 6bps to 4.17% as the curve bear steepened. Barkin reiterated policymakers have time to be patient about the timing of rate cuts, pointing to a strong labor market and continued disinflation. Crude rose after US imposed sanctions on shippers of Russian crude. USD/JPY rises 0.9% to 149.48, highest level since Nov. 27, amid higher Treasury yields and dovish Bank of Japan posturing. BOJ's Uchida said interest rate increases won't be continuous or rapid even if the central bank decides to halt its negative interest rate policy. "Overall, the comments from Deputy Governor Uchida highlight that the BoJ is preparing market participants for an exit from negative rates but there was no urgency expressed to indicate that the first hike will be delivered in March," Lee Hardman, FX strategist at MUFG, wrote in a note. EUR/USD edged up 0.1% to 1.0777 after falling 0.3% amid a mix of real money and speculative sales; risk reversals are least bearish in two weeks. The European Central Bank requires more assurance that inflation is returning to its target in order for policymakers to be able to lower interest rates, according to Chief Economist Philip Lane. GBP/USD slips 0.1% to 1.2617 amid EUR/GBP short-covering; the pound was partly underpinned by higher gilt yields after Bank of England policy maker Catherine Mann said her latest vote for a UK interest-rate hike was "not easy" and "finely balanced." USD/CHF down 0.1% to 0.8742, pulling back from a near two-month high hit on Wednesday; EUR/CHF down 0.1%. AUD/USD was down 0.5% at 0.6485 amid lower US metal prices and weaker offshore yuan. USD/CAD eased 0.1% to 1.3456; the loonie looks to close at a sixteen-year high versus the yen amid a rising oil prices.

❖ MSCI Inc.'s benchmark for EM equities fell for the first time in three days as data from China signaled weak demand just as the country's markets prepare to enter a long holiday. A gauge of developing-nation currencies was little changed. The Mexican peso extended losses after the central bank left the door open for an interest-rate cut. Mexico kept borrowing costs at a record high for the seventh consecutive meeting on Thursday as inflation accelerated for the third straight month in January. Banxico reshaped the entire last paragraph of the statement accompanying the decision. Analysts cautioned that Mexico's peso could face pressure if speculation continues that Banxico will cut the rate in March, ahead of the Federal Reserve. The Chilean peso and the Czech koruna underperformed EM peers. The koruna declined as much as 1.2% against the euro, the weakest since May 2022 on a closing basis. The Czech central bank ramped up monetary easing as slowing inflation allowed officials to focus more on faltering economic growth. Chile's peso weakened the most among all global currencies against the dollar, weakening 1.2% on fresh declines in the price of copper, which is the nation's main export. South Africa's rand also fell; currency is among the five worst performers this month in the emerging markets basket monitored by Bloomberg. South African President Cyril Ramaphosa on Thursday pledged to overhaul the nation's health-care system, extend welfare grants and tackle the energy and logistics crises as the country prepares for the tightest elections since apartheid ended. Both Brazil's and Chile's swap rates increased after January inflation was stronger than analysts estimated, leading traders to revise their views on the paths of monetary policy in the nations. While developing nations are preparing for monetary easing this year that could spark a new growth cycle, China remains hobbled by slowing growth, deepening disinflation, a property crisis and loss of confidence among global investors. China's consumer prices fell last month at the fastest pace since the global financial crisis. Stock trading on the mainland will be shut until the end of next week. Egypt's bonds and stocks gained on reports of a \$22 billion land deal with the United Arab Emirates. Nation's bonds across the curve were the top gainers among emerging-market peers. Panama bonds on Thursday slumped as former President Ricardo Martinelli, a frontrunner for May's election, was granted political asylum in Nicaragua.

### Key Market Levels for the Day

	S3	S2	S1	R1	R2	R3
USDINR Spot	82.7825	82.8475	82.9055	82.9875	83.0650	83.1275

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

**Gold Market Update**



Market View	
Open	62436
High	62557
Low	62182
Close	62443
Value Change	-81
% Change	-0.13
Spread Near-Next	332
Volume (Lots)	4715
Open Interest	13955
Change in OI (%)	-2.56%

**Gold - Outlook for the Day**

**BUY GOLD APR (MCX) AT 62400 SL 62150 TARGET 62700/62850**

**Silver Market Update**



Market View	
Open	70091
High	70939
Low	69880
Close	70837
Value Change	526
% Change	0.75
Spread Near-Next	1287
Volume (Lots)	20225
Open Interest	30410
Change in OI (%)	-6.77%

**Silver - Outlook for the Day**

**BUY SILVER MARCH (MCX) AT 70500 SL 69900 TARGET 71500/72000**

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

**USDINR Market Update**



Market View	
Open	83.03
High	83.06
Low	82.9425
Close	83.0275
Value Change	-0.01
% Change	-0.012
Spread Near-Next	0.2053
Volume (Lots)	1551530
Open Interest	2376775
Change in OI (%)	-0.62%

**USDINR - Outlook for the Day**

The USDINR future witnessed a flat opening at 83.03, which was followed by a session that showed minimal buying lower higher level with candle closures near high. A long doji candle formed by the USDINR price closed below 10-days moving average placed at 83.11. 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 82.89 and 83.08.

**Key Market Levels for the Day**

	S3	S2	S1	R1	R2	R3
USDINR February	82.8525	82.9075	82.9575	83.0875	83.1525	83.2075

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