

Daily Bullion Physical Market Report

Date: 10th July 2024

Daily India Spot Market Rates

Description	Purity	AM	PM
Gold	999	72454	72346
Gold	995	72164	72056
Gold	916	66368	66269
Gold	750	54341	54260
Gold	585	42386	42322
Silver	999	91892	91847

Rate as exclusive of GST as of 09th July 2024 Gold is Rs/10 Gm & Silver in Rs/Kg

Gold and Silver 999 Watch

Date	GOLD*	SILVER*
09 th July 2024	72346	91847
08 th July 2024	72746	91733
05 th July 2024	72640	90709
04 th July 2024	72469	90018

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

COMEX Futures Watch

Description	Contract	Close	Change	%Chg
Gold(\$/oz)	AUG 24	2367.90	4.40	0.19
Silver(\$/oz)	SEPT 24	31.06	0.14	0.46

ETF Holdings as on Previous Close

ETFs	In Tonnes	Net Change
SPDR Gold	834.80	0.00
iShares Silver	13,572.20	-71.01

Gold and Silver Fix

Description	LTP
Gold London AM Fix(\$/oz)	2362.40
Gold London PM Fix(\$/oz)	2367.90
Silver London Fix(\$/oz)	31.06

Bullion Futures DGCX

Description	Contract	LTP
Gold(\$/oz)	AUG 24	2370.4
Gold Quanto	AUG 24	72418
Silver(\$/oz)	SEPT 24	30.98

Gold Ratio

Description	LTP
Gold Silver Ratio	76.25
Gold Crude Ratio	29.09

Weekly CFTC Positions

	Long	Short	Net
Gold(\$/oz)	191948	13407	178541
Silver	50072	17600	32472

MCX Indices

Index	Close	Net Change	% Chg
MCX iCOMDEX Bullion	18665.02	38.97	0.21 %

Macro-Economic Indicators

Time	Country	Event	Forecast	Previous	Impact
10 th July 07:30 PM	United States	Fed Chair Powell Testifies	-	-	High
10 th July 07:30 PM	United States	Final Wholesale Inventories m/m	0.6%	0.6%	Low
11 th July 12:00 AM	United States	FOMC Member Bowman Speaks	-	-	Low
11 th July 12:00 AM	United States	FOMC Member Goolsbee Speaks	-	-	Low

Nirmal Bang Securities - Daily Bullion News and Summary

□ Gold held steady on Tuesday after the Federal Reserve's chairman reiterated that the central bank wants to see further signs of slowing inflation before lowering interest rates. Bullion traded at around \$2,363 an ounce after Jerome Powell addressed the US Senate Banking Committee. The Fed has been hiking interest rates for more than two years in a bid to curb surging inflation, and in testimony on Tuesday Powell said there had been "some modest further progress." "Inflation has eased notably over the past couple of years," he said. "More good data would strengthen our confidence that inflation is moving sustainably toward 2%." Interest rates have been held at a two-decade high with lawmakers and investors growing impatient for the Fed to cut interest rates. Lower borrowing costs are typically a positive for bullion and other dollar-priced commodities. Central bank purchases are also in focus in the gold market, after Uzbekistan, Serbia and the Czech Republic boosted their reserves. Gold has become increasingly popular in central and eastern Europe, with countries seeking to diversify reserves and some considering the precious metal as a way to protect their economies from geopolitical turmoil.

□ The Czech Republic expanded its gold reserves in June as central bank Governor Ales Michl continues to execute a plan to diversify investments to make his institution profitable. Czech holdings of the precious metal increased to 41.5 metric tons, from 39.7 tons in the previous month, central bank data showed on Tuesday. The value of gold totaling \$3.1 billion at the end of June still represented only a fraction of the overall reserves of \$146.5 billion, which are one of the highest in the world relative to the size of the economy. Michl, who started his six-year tenure in July 2022, has set a goal to boost the bank's gold holdings to 100 metric tons, which would be roughly a 10-fold increase from the amount it held two years ago. Ramping up gold reserves and boosting investment in shares are part of Michl's goal that he hopes may help his successor achieve profitability. The change in balance sheet management should increase the expected average annual return on the reserves to about 4% from an earlier long-term average of about 2.6%, Michl said in an interview in June. Gold has become increasingly popular in central and eastern Europe, with countries seeking to diversify reserves and some even considering the precious metal as a way to protect their economies from geopolitical turmoil. Serbia's central bank bought 5 tons of gold last week, bringing its total holdings to 46.5 tons, in a move that President Aleksandar Vucic described as enhancing the Balkan nation's "financial security." "We want to be safe and secure in hard times, which I expect as the president of the republic," Vucic said late on Monday.

□ Nigerian lawmakers are proposing a dramatic increase in the central bank's power to use gold to shore up the nation's reserves in defense of the economy. A draft bill before the Senate puts forward a raft of policies that would enshrine the bank as the automatic off-taker for all the gold produced in the country, alongside a goal to make the precious metal at least 30% of Nigeria's external reserves. Gold at the end of November only accounted for 4% of the nation's reserves, which currently stand at \$34.8 billion. Africa's most populous nation is battling inflation that's at a more than 28-year high following economic reforms that partially lifted petrol subsidies and removed the currency's peg against the dollar, with the naira declining around 70% against the dollar in the past 12 months. Lawmakers propose setting up a Gold Reserve Authority. They also want the central bank governor to chair a gold reserve management committee, whose composition and functions closely mirrors the monetary policy committee of the bank, in a document seen by Bloomberg. The Central Bank of Nigeria didn't immediately respond to requests for comment. Gold mining in Nigeria is largely informal and makes only a tiny measurable contribution to the economy. The bill, which follows a 2019 central bank gold purchase program, would enshrine its role into law while bringing the industry into the formal sector. Since taking office in May 2023, President Bola Tinubu has sought to transform Nigeria's mining industry, seeking to attract investors especially in low-grade lithium deposits in the country's central region.

□ Federal Reserve Chair Jerome Powell said officials are increasingly wary of potential risks to the labor market from high borrowing costs as they seek more evidence inflation is slowing down. Speaking to lawmakers Tuesday, Powell was careful not to offer a timeline for interest-rate cuts, which investors are now betting will begin in September. But he emphasized mounting signs of a cooling job market after government data published July 5 showed a third straight month of rising unemployment. "Elevated inflation is not the only risk we face," Powell said in prepared remarks before the Senate Banking Committee. "The latest data show that labor-market conditions have now cooled considerably from where they were two years ago—and I wouldn't have said that until the last couple of readings," he later added. The Fed chief is on Capitol Hill this week to deliver his semi-annual monetary policy testimony to Congress. He will conclude two days of hearings on Wednesday with an appearance before the House Financial Services Committee, beginning at 10 a.m. in Washington. The US central bank is weighing rate cuts after holding its benchmark at a more than two-decade high for nearly a year in a bid to curb inflation. While the labor market has so far largely held up, a slowdown in the jobs data has raised pressure on Fed officials to begin easing policy. "His focus is squarely on the labor market," said Derek Tang, an economist at LH Meyer, a policy analysis firm in Washington. "Further softening in the labor market, even if further disinflation is not delivered, is enough to spur action." Still, the Fed chair emphasized that cutting rates too soon or too much could stall or reverse progress on inflation, which has come down from a peak of 7.1% in June 2022 to 2.6% as of May. "More good data would strengthen our confidence that inflation is moving sustainably toward 2%," Powell said. His comments confirmed the central bank's policy-setting Federal Open Market Committee is unlikely to reduce rates when it next meets on July 30-31.

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 slightly higher for the day, as gold prices are steady as testimony from Federal Reserve Chair Jerome Powell didn't move the needle on expectations for US rate cuts, with the market still expecting the much-anticipated pivot before the end of the year.

Key Market Levels for the Day

Time	Month	S3	S2	S1	R1	R2	R3
Gold – COMEX	August	2320	2345	2370	2385	2410	2435
Silver – COMEX	September	30.70	31.00	31.25	31.40	31.65	31.90
Gold – MCX	August	71900	72100	72350	72600	72750	72950
Silver – MCX	September	91300	92000	92800	93500	94200	94800

Nirmal Bang Securities - Daily Currency Market Update

Dollar Index

LTP/Close	Change	% Change
105.00	0.13	0.12

Bond Yield

10 YR Bonds	LTP	Change
United States	4.2959	0.0176
Europe	2.5780	0.0400
Japan	1.0920	-0.0030
India	6.9880	-0.0010

Emerging Market Currency

Currency	LTP	Change
Brazil Real	5.4212	-0.0491
South Korea Won	1383.5	0.0500
Russia Rubble	87.85	0.2249
Chinese Yuan	7.2726	0.0045
Vietnam Dong	25419	0
Mexican Peso	17.9153	-0.0951

NSE Currency Market Watch

Currency	LTP	Change
NDF	83.57	-0.01
USDINR	83.545	-0.0125
JPYINR	52.0225	0.0025
GBPINR	106.9475	-0.0325
EURINR	90.4675	-0.0075
USDJPY	160.66	0.27
GBPUSD	1.2801	-0.0018
EURUSD	1.0819	-0.002

Market Summary and News

□ US Treasuries slipped as Federal Reserve Chair Jerome Powell told Washington lawmakers he wants more evidence of cooling inflation to realize the market's bets on interest-rate cuts this year. The decline in US government bonds pushed most yields higher as Powell testified for a Senate hearing on Tuesday, with the benchmark 10-year's up as much as five basis points to 4.327%. Swaps traders held tight to expectations for two rate reductions this year, with just over a 70% probability that the first Fed cut comes in September. "Powell's comments are balanced and policy decisions will be made 'meeting by meeting,'" said Subadra Rajappa, head of US rates strategy at Societe Generale. "The market continues to expect a September rate cut, but it's not set in stone. A sticky inflation print could easily tilt the probabilities." As part of his two day semi-annual presentation on the economy and policy, Powell said the Fed was looking for "more good data" to strengthen its confidence that inflation will return to target. Traders will get more information on inflation later this week, when a reading of the consumer price index for June is released on Thursday. Powell also said the labor market appeared to be "fully back in balance," and that policymakers were aware that they face risks tied to both cutting rates too soon or too late. Most Treasury yields are also higher as dealers assess auctions this week, according to Guy LeBas, chief fixed income strategist for Janney Montgomery Scott. A \$58 billion sale of three-year notes on Tuesday was awarded at 4.399% versus the 4.407%; when-issued yield at the 1 p.m. New York time bidding deadline. That signaled better-than-expected demand for the notes. Shorter-term yields, though, had edged slightly lower ahead of the auction, with the two-year notes now little changed on the day.

□ Indian bonds were steady as traders mull the pressures on the Narendra Modi-led coalition government, with the prime minister's second-biggest ally demanding \$3.6 billion from the upcoming budget. The rupee was little changed. 10-year yields steady at 6.99% on Tuesday. USD/INR little changed at 83.4912. "As softness in inflation is already priced in, the budget is being awaited," says Gopal Tripathi, president and head of capital markets at Jana Small Finance Bank. "Performance of monsoon will be another factor which RBI and market participants are keenly watching." Indian states sold 61 billion rupees (\$731 million) of notes as planned: Reserve Bank of India. The RBI drained INR213.1b through a three-day variable rate reverse repo (VRRR) auction on Tuesday vs. an INR250b plan. Indian bonds may move in a narrow range until the budget is presented on July 23, according to Naveen Singh, head of trading at ICICI Securities Primary Dealership.

□ The greenback posted a modest gain after Fed Chair Jerome Powell, in Senate testimony, said officials are wary of potential labor market risks though want to see inflation slow further before reducing rates. The Bloomberg Dollar Spot Index is up 0.1%, rising for second day, with the yen lagging peers. US 10-year yield is up two basis point at 4.29%; paring a steeper rise earlier. Rates moves were also influenced by Powell saying US regulators are close to agreeing to changes to plans to force big banks to hold significantly more capital. "Powell's comments are balanced and policy decisions will be made 'meeting by meeting.'" The market continues to expect a September rate cut, but it's not set in stone. A sticky inflation print could easily tilt the probabilities," said Subadra Rajappa at Societe Generale. Helen Given at Monex says markets could see more volatility during the Q&A session as Powell is grilled on policy outlook," but for now, he did a good job of not rocking the boat." The J.P. Morgan Global Volatility index slips for fifth day to 6.89%, its lowest level since June 3. USD/JPY rises as much as 0.4% to 161.38 around the London fix, most in a week, before paring gains. Japan's largest banks called on the Bank of Japan to make deep cuts to its monthly bond purchases during hearings of market participants at the central bank, according to people who attended. EUR/USD down for a second day, slipping 0.1% to 1.0815 amid slumping bond and share prices in Europe; Unions at ADP, which run Paris' CDG and Orly airports, put in strike notices for July 17, according to statement from the CGT, CFDT, FO and UNSA unions. Drop is slowed by low levels of volatility and limited volume. European Central Bank Governing Council member Mario Centeno commented on the "current pace of the easing trajectory" via Econostream Media. EUR/SEK falls 0.4% after 55-DMA caps at 11.4726. GBP/USD is down 0.2% at 1.2787 in relatively active real money and bank trading during London hours. Reports indicate British consumers reined in retail spending in June during a cold spell failed to move the needle. AUD/USD is little changed at 0.6739, trimming an earlier loss as commodity prices and the offshore yuan dip. Kiwi is little changed at 0.6126; overnight volatility rises to its highest level since May against the Australian dollar as a Reserve Bank of New Zealand policy decision nears.

Key Market Levels for the Day

	S3	S2	S1	R1	R2	R3
USDINR SPOT	83.3750	83.4125	83.4675	83.5025	83.5525	83.6050

Nirmal Bang Securities - Bullion Technical Market Update

Gold Market Update



Market View	
Open	72578
High	72634
Low	72111
Close	72398
Value Change	65
% Change	0.09
Spread Near-Next	395
Volume (Lots)	4748
Open Interest	12577
Change in OI (%)	-3.70%

Gold - Outlook for the Day

BUY GOLD AUG (MCX) AT 72350 SL 72100 TARGET 72750/72950

Silver Market Update



Market View	
Open	92799
High	93691
Low	92367
Close	92969
Value Change	355
% Change	0.38
Spread Near-Next	2646
Volume (Lots)	14498
Open Interest	23351
Change in OI (%)	-0.25%

Silver - Outlook for the Day

BUY SILVER SEPT (MCX) AT 92600 SL 92000 TARGET 93200/93600
SELL SILVER SEPT (MCX) AT 93600 SL 94200 TARGET 93000/92600

Nirmal Bang Securities - Currency Technical Market Update

USDINR Market Update



Market View	
Open	83.5725
High	83.5725
Low	83.5100
Close	83.5450
Value Change	-0.0125
% Change	-0.0150
Spread Near-Next	-0.2180
Volume (Lots)	57953
Open Interest	2468104
Change in OI (%)	0.10%

USDINR - Outlook for the Day

The USDINR future witnessed a gap-up opening at 83.57, which was followed by a session where price shows minimal selling from higher level with candle closures near low. 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 49-53 levels showed positive indication. We are anticipating that the price of USDINR futures will fluctuate today between 83.48 and 83.60.

Key Market Levels for the Day

	S3	S2	S1	R1	R2	R3
USDINR JULY	83.4125	83.4650	83.5175	83.5625	83.6050	83.6575

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
Jayati Mukherjee	Sr. Research Analyst	jayati.mukherjee@nirmalbang.com
Smit Bhayani	Research Analyst	smit.bhayani@nirmalbang.com
Utkarsh Dubey	Research Associate	Utkarsh.dubey@nirmalbang.com

This Document has been prepared by Nirmal Bang Securities Pvt. Ltd. The information, analysis and estimates contained herein are based on Nirmal Bang Securities Research assessment and have been obtained from sources believed to be reliable. This document is meant for the use of the intended recipient only. This document, at best, represents Nirmal Bang Securities Research opinion and is meant for general information only. Nirmal Bang Securities Research, its directors, officers or employees shall not in any way be responsible for the contents stated herein. Nirmal Bang Securities Research expressly disclaims any and all liabilities that may arise from information, errors or omissions in this connection. This document is not to be considered as an offer to sell or a solicitation to buy any securities. Nirmal Bang Securities Research, its affiliates and their employees may from time to time hold positions in securities referred to herein. Nirmal Bang Securities Research or its affiliates may from time to time solicit from or perform investment banking or other services for any company mentioned in this document.