

## Daily Bullion Physical Market Report

Date: 11<sup>th</sup> June 2024

### Daily India Spot Market Rates

Description	Purity	AM	PM
Gold	999	70905	71176
Gold	995	70621	70891
Gold	916	64949	65197
Gold	750	53179	53382
Gold	585	41479	41638
Silver	999	88543	88928

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

### Gold and Silver 999 Watch

Date	GOLD*	SILVER*
10 <sup>th</sup> June 2024	71176	88928
07 <sup>th</sup> June 2024	719137	90535
06 <sup>th</sup> June 2024	72757	90407
05 <sup>th</sup> June 2024	71986	88530

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

### COMEX Futures Watch

Description	Contract	Close	Change	%Chg
Gold(\$/oz)	AUG 24	2327	2	0.09
Silver(\$/oz)	JULY 24	29.87	0.43	1.47

### ETF Holdings as on Previous Close

ETFs	In Tonnes	Net Change
SPDR Gold	835.67	-1.43
iShares Silver	13,098.99	99.45

### Gold and Silver Fix

Description	LTP
Gold London AM Fix(\$/oz)	2297.65
Gold London PM Fix(\$/oz)	2304.4
Silver London Fix(\$/oz)	29.68

### Bullion Futures DGCX

Description	Contract	LTP
Gold(\$/oz)	JUNE 24	2327.3
Gold Quanto	JUNE 24	71458
Silver(\$/oz)	MAY 24	29.88

### Gold Ratio

Description	LTP
Gold Silver Ratio	77.89
Gold Crude Ratio	29.93

### Weekly CFTC Positions

	Long	Short	Net
Gold(\$/oz)	197278	16517	180761
Silver	57652	21851	35801

### MCX Indices

Index	Close	Net Change	% Chg
MCX iCOMDEX Bullion	18407.48	66.56	0.36

### Macro-Economic Indicators

Time	Country	Event	Forecast	Previous	Impact
11 <sup>th</sup> June 06:00 PM	United States	NO DATA	-	-	Low

## Nirmal Bang Securities - Daily Bullion News and Summary

❖ Gold rose to claw back some of Friday's decline as traders look ahead to the Federal Reserve's meeting in coming days. Bullion moved back above \$2,300 an ounce after plunging 3.5% on Friday — the biggest one-day decline since November 2020 — as strength in a US jobs report prompted traders to pull back bets on interest-rate cuts by the Fed. The market will be watching this week's US central bank meeting for more clues on the rate path. The Fed is widely expected to hold borrowing costs steady for a seventh consecutive meeting, but there's less certainty on the projections of top policymakers from their so-called dot plot. A Bloomberg survey shows that 41% of economists expect the Fed to signal two cuts, while an equal percentage forecast either one cut or none at all. The longer-term trend for gold appears to be higher, but the price is still correcting its recent sharp rally.

❖ Exchange-traded funds added 25,797 troy ounces of gold to their holdings in the last trading session, bringing this year's net sales to 4.52 million ounces, according to data compiled by Bloomberg. This was the sixth straight day of growth. The purchases were equivalent to \$59.2 million at the previous spot price. Total gold held by ETFs fell 5.3 percent this year to 81.1 million ounces, the highest level since April 26. Gold advanced 11 percent this year to \$2,293.78 an ounce and fell by 3.5 percent in the latest session. State Street's SPDR Gold Shares, the biggest precious-metals ETF, pared its holdings by 46,260 ounces in the last session. The fund's total of 26.9 million ounces has a market value of \$61.6 billion. ETFs cut 998,037 troy ounces of silver from their holdings in the last trading session, bringing this year's net sales to 15.9 million ounces. Last week's changes:ETFs increased their gold holdings by 248,799 troy ounces. ETFs reduced their silver holdings by 258,144 troy ounces. ETFs increased their platinum holdings by 20,010 troy ounces. ETFs increased their palladium holdings by 11,701 troy ounces.

❖ Bond traders who have come to terms with the prospect of higher-for-longer interest rates through 2024 are looking toward this week's Federal Reserve meeting for clues on how to game out 2025 and beyond. Central bank officials will update their quarterly economic and interest rate projections — known as the dot plot — on Wednesday. As of March, officials were signaling three quarter- point cuts in 2024, but they're expected to scale back that forecast in the face of a barrage of robust economic data, including strong May jobs growth. Just hours before the Fed wraps up its two-day meeting, a fresh read on inflation will likely show prices running well ahead of the central bank's comfort zone. With the data giving the Fed little leeway to cut rates soon, investors are now debating whether future easing will amount to only a smallish tweak of policy into next year, as opposed to the series of reductions many had been expecting. The difference may have big market consequences. The Fed has maintained a two-decade-high policy-rate range of 5.25% to 5.5% since July as the economy has held fairly strong, leaving two-year Treasury yields hovering just below 5% and 10-year rates at around 4.5%. While the market is pricing in less than two quarter-point rate cuts for this year, the general thinking has been that an easing cycle would kick in as the economy eventually cools. On the margins, that's starting to change. Trades positioning for Fed policy rates staying elevated well into next year and 2026 have picked up via recent interest-rate option trades. Options traders are more hawkish than their counterparts in the swaps market, with March 2026 options targeting a Fed rate of roughly 5.75% while swaps indicate a rate around 4% by that time.

**Fundamental Outlook:** Gold and silver prices are trading ,lower today on the international bourses. We expect gold and silver prices to trade lower for the day, as traders look to this week's US central bank meeting for more clues on when it may pivot to monetary easing.

## Key Market Levels for the Day

Time	Month	S3	S2	S1	R1	R2	R3
Gold – COMEX	August	2275	2300	2320	2335	2350	2370
Silver – COMEX	July	28.70	29.00	29.20	29.30	29.50	29.65
Gold – MCX	August	70800	71100	71350	71700	71950	72200
Silver – MCX	July	87800	88500	89300	89800	90300	90800



## Nirmal Bang Securities - Daily Currency Market Update

### Dollar Index

LTP/Close	Change	% Change
105.15	0.27	0.25

### Bond Yield

10 YR Bonds	LTP	Change
United States	4.467	0.0335
Europe	2.669	0.051
Japan	1.044	0.068
India	7.033	0.016

### Emerging Market Currency

Currency	LTP	Change
Brazil Real	5.3547	0.0094
South Korea Won	1376.05	10.55
Russia Rubble	88.8076	-0.2379
Chinese Yuan	7.2478	0.0028
Vietnam Dong	25423	10
Mexican Peso	18.2443	-0.1517

### NSE Currency Market Watch

Currency	LTP	Change
NDF	83.59	0
USDINR	83.5375	0.0925
JPYINR	53.39	-0.19
GBPINR	106.1325	-0.5175
EURINR	89.865	-1.06
USDJPY	156.44	1.35
GBPUSD	1.2707	-0.0079
EURUSD	1.0748	-0.0154

### Market Summary and News

❖ French 10-year yield had jumped 13bps to 3.22%, the highest since November, widening the OAT-bund spread 7bps to a six-month high at 55bps. Soft sale of 3-year notes added to Treasury losses over the US afternoon session, with the auction tailing the WI by 1.1bp. The auction's bid-to-cover was 2.43, below 2.57 recent average. Direct allotment dropped to 15.9%, below the 18.7% recent average, while indirects were at 64.1% vs. 63.2% average. Dealer takedown at 20% was the most since December and above the 18.1% recent average. In Treasury options, traders continued to target bullish plays in 10-year sector with one standout flow continuing to be a buyer of 111.00 calls, equivalent to a 10-year yield drop to around 4.18% ahead of June 21 expiry.

❖ The European Central Bank must stay cautious, and last week's cut in borrowing costs won't necessarily be followed by further rapid moves, according to President Christine Lagarde. "We've made the appropriate decision, but it doesn't mean interest rates are on a linear declining path," she said in an interview with leading European newspapers. "There might be periods where we hold rates again." Euro-zone borrowing costs aren't on a predetermined trajectory, the president reiterated. "At every step of the way, not only when we have new projections, we will reassess," she said according to a pre-release by Handelsblatt on Monday. The interview was also published in Expansion, Il Sole 24 Ore and Les Echos. The ECB delivered a widely anticipated rate reduction last Thursday, a move that jarred both with its higher projections for inflation and with a backdrop of stronger-than-expected wage growth and consumer prices. Investors were left querying where policy is headed next. Inflation in the 20-nation bloc accelerated by more than anticipated to 2.6% in May, with a surge in services prices and a strengthening of underlying pressures being even more worrisome. Wage growth in the first quarter was also much higher than expected. In the interview, Lagarde said that some recent numbers "could have been better." But she added that "we felt that disinflation was sufficiently advanced and would continue to progress over the next 18 months, and so we could cut rates." The ECB expects inflation to reach 2% again toward the end of next year.

❖ Indian bond traders will consider the implications of the reappointment of Nirmala Sitharaman as finance minister ahead of the new government's budget announcement next month. A 77.5b rupee (\$928m) state government debt auction is also due. 10-year yields inched up 2bps to 7.03% on Monday. Nirmala Sitharaman was reappointed India's finance minister in Prime Minister Narendra Modi's new coalition government, providing policy continuity in one of the world's fastest-growing economies. USD/INR advanced 0.2% to 83.5100 on Monday. Implied opening from forwards suggests spot may start trading around 83.52. The reappointment of Sitharaman as India's finance minister may slow but not stop weakening of the rupee to 85+, before consolidating back to low-83 in the next three to nine months, according to Mizuho Bank Ltd. Global funds bought 5.36 billion rupees of sovereign bonds under limits available to foreign investors. State-run banks bought 7.79 billion rupees of sovereign bonds on June 10: CCIL data. Foreign banks sold 4.53 billion rupees of bonds.

### Key Market Levels for the Day

	S3	S2	S1	R1	R2	R3
USDINR Spot	83.3450	83.4025	83.4575	83.5425	83.6025	83.6550

## Nirmal Bang Securities - Bullion Technical Market Update

### Gold Market Update



Market View	
Open	71149
High	71490
Low	70751
Close	71438
Value Change	85
% Change	0.12
Spread Near-Next	293
Volume (Lots)	5729
Open Interest	15406
Change in OI (%)	-4.10%

### Gold - Outlook for the Day

**SELL GOLD AUG (MCX) AT 71700 SL 71950 TARGET 71400/71100**

### Silver Market Update



Market View	
Open	89355
High	90180
Low	88900
Close	90022
Value Change	933
% Change	1.05
Spread Near-Next	0
Volume (Lots)	15745
Open Interest	21293
Change in OI (%)	-6.61%

### Silver - Outlook for the Day

**SELL SILVER JULY (MCX) AT 89800 SL 90800 TARGET 88800/88000**

## Nirmal Bang Securities - Currency Technical Market Update

### USDINR Market Update



#### Market View

Open	83.48
High	83.56
Low	83.48
Close	83.5375
Value Change	0.0925
% Change	0.1109
Spread Near-Next	-0.2105
Volume (Lots)	290915
Open Interest	3236991
Change in OI (%)	2.96%

### USDINR - Outlook for the Day

The USDINR future witnessed a flat-opening at 83.48, which was followed by a session where price shows minimal buying from lower level with candle closures near high. A small green candle formed by the USDINR price where price closed above short-term moving averages. On the daily chart, the MACD showed a positive crossover below the zero-line, while the momentum indicator, RSI trailing between 50-57 levels showed positive indication. We are anticipating that the price of USDINR futures will fluctuate today between 83.43 and 83.64

### Key Market Levels for the Day

	S3	S2	S1	R1	R2	R3
USDINR June	83.3725	83.4350	83.5075	83.5825	83.6450	83.7075



## Nirmal Bang Securities – Commodity Research Team

Name	Designation	Email
Kunal Shah	Head of Research	<a href="mailto:kunal.shah@nirmalbang.com">kunal.shah@nirmalbang.com</a>
Devidas Rajadhikary	AVP Commodity Research	<a href="mailto:devidas.rajadhikary@nirmalbang.com">devidas.rajadhikary@nirmalbang.com</a>
Harshal Mehta	AVP Commodity Research	<a href="mailto:harshal.mehta@nirmalbang.com">harshal.mehta@nirmalbang.com</a>
Ravi D'souza	Sr. Research Analyst	<a href="mailto:ravi.dsouza@nirmalbang.com">ravi.dsouza@nirmalbang.com</a>
Jayati Mukherjee	Sr. Research Analyst	<a href="mailto:jayati.mukherjee@nirmalbang.com">jayati.mukherjee@nirmalbang.com</a>
Smit Bhayani	Research Analyst	<a href="mailto:smit.bhayani@nirmalbang.com">smit.bhayani@nirmalbang.com</a>
Utkarsh Dubey	Research Associate	<a href="mailto:Utkarsh.dubey@nirmalbang.com">Utkarsh.dubey@nirmalbang.com</a>

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.