

Daily Bullion Physical Market Report

Date: 12th February 2024

Daily India Spot Market Rates

Description	Purity	AM	PM
Gold	999	62642	62624
Gold	995	62391	62373
Gold	916	57380	57364
Gold	750	46982	46968
Gold	585	36646	36635
Silver	999	70583	70638

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

Gold and Silver 999 Watch

Date	GOLD*	SILVER*
09 th February 2024	62624	70638
08 th February 2024	62612	69950
07 th February 2024	62646	69866
06 th February 2024	62479	69984

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

COMEX Futures Watch

Description	Contract	Close	Change	%Chg
Gold(\$/oz)	APR 24	2038.70	-3.80	-0.19
Silver(\$/oz)	MAR 24	22.59	0.28	1.23

ETF Holdings as on Previous Close

ETFs	In Tonnes	Net Change
SPDR Gold	843.66	1.44
iShares Silver	13,686.79	1.42

Gold and Silver Fix

Description	LTP
Gold London AM Fix(\$/oz)	2031.65
Gold London PM Fix(\$/oz)	2023.50
Silver London Fix(\$/oz)	22.66

Bullion Futures DGCX

Description	Contract	LTP
Gold(\$/oz)	FEB. 24	2039.3
Gold Quanto	APR. 24	62314
Silver(\$/oz)	MAR. 24	22.65

Gold Ratio

Description	LTP
Gold Silver Ratio	90.23
Gold Crude Ratio	26.53

Weekly CFTC Positions

	Long	Short	Net
Gold(\$/oz)	127187	44596	82591
Silver	31935	36719	-4784

MCX Indices

Index	Close	Net Change	% Chg
MCX iCOMDEX Bullion	16023.15	-29.90	-0.19 %

Macro-Economic Indicators

Time	Country	Event	Forecast	Previous	Impact
12th February 07:50 PM	United States	FOMC Member Bowman Speaks	-	-	Low
12th February 10:30 PM	United States	FOMC Member Barkin Speaks	-	-	Medium

Nirmal Bang Securities - Daily Bullion News and Summary

❖ Gold slipped on Friday, heading for a weekly decline as traders mulled the Federal Reserve’s next steps after an uneventful US inflation revision. Inflation in the world’s largest economy was about the same at the end of last year as initially reported after incorporating annual revisions, according to new data published Friday. The report, which was highly anticipated, will come as a relief for Fed Chair Jerome Powell and his colleagues who are seeking more evidence that price pressures are sustainably receding before they begin cutting interest rates. Investors will now turn their attention to January consumer price index figures due on Tuesday. Economists surveyed by Bloomberg expect the year-over-year figure to have dropped to 2.9% last month, from 3.4% in December, which would be the lowest level since early 2021.

❖ Money managers have increased their bullish gold bets by 10,615 net-long positions to 82,591, weekly CFTC data on futures and options show. The net-long position was the most bullish in three weeks. Long-only positions rose 4,239 lots to 127,187 in the week ending Feb. 6. The long-only total was the highest in three weeks. Short-only positions fell 6,376 lots to 44,596. The short-only total was the lowest in four weeks. Money managers have flipped to bearish from bullish on silver as short positions outnumbered long ones by 4,784, weekly CFTC data on futures and options show. The traders had been net-long by 5,046 positions a week earlier. The net-short position was the most bearish in almost six months. Long-only positions fell 1,381 lots to 31,935 in the week ending Feb. 6. Short-only positions rose 8,449 lots to 36,719. The short-only total was the highest in almost six months.

❖ Traders in the UK are leading a global repricing of expectations for interest-rate cuts, reducing bets on easing from the Bank of England to around half the level seen at the start of the year. The moves gathered pace after the BOE’s Jonathan Haskel said in an interview with Reuters that he would need more evidence of inflation cooling before changing his stance. Alongside Catherine Mann, he broke away from the majority of the committee and voted for a quarter-point increase last week. An abrupt turnaround in global rate expectations has been roiling markets around the world in recent weeks as traders wind down bets on easing from the Federal Reserve and European Central Bank. But nowhere has it been more aggressive than in the UK after the BOE forecast last week that inflation would pick up again from a low of 2% in the second quarter. “The BOE is unlikely to cut too soon,” said Hank Calenti, senior fixed income strategist at SMBC Nikko Capital Markets, who expects no more than 75 basis points of cuts this year. That’s in line with the market, which is now pricing 75 basis points of cuts from the BOE, down from 150 basis points seen at the end of December. While strong economic numbers from the US have also contributed to the move, it far exceeds the adjustment seen in expectations for Fed. The market there has shaved just 50 basis points off their wagers since the start of the year. Not everyone is convinced the UK will remain an outlier though. Jorge Garayo, a fixed-income strategist at Societe Generale SA, says the market will swing back the other way as the economy will likely slow more than officials expect. “Given our expectation that UK inflation and pay growth should undershoot the Bank’s forecasts over the coming months, we believe the markets will reprice a larger amount of rate cuts for the UK in relative terms,” he said. Some clarity may come from UK inflation numbers next week which are forecast to quicken on the year to January, according to a Bloomberg poll of economists. December’s wage figures and fourth quarter growth numbers will also be closely watched for clues on the outlook for monetary policy.

❖ Federal Reserve Bank of Dallas President Lorie Logan said she sees no urgency to cut interest rates right now, adding that policymakers have time to assess incoming economic data. “We need to take time here to continue to look at the data and evaluate incoming data,” Logan said Friday at an event in Hurst, Texas. “I’m really not seeing any urgency to make any additional adjustments to rates at this time while we get a better understanding and build our confidence whether the progress that we’ve seen in inflation will be sustained over the medium run.” The comments are similar to those made by other policymakers, including Chair Jerome Powell, who have indicated they’re in no rush to start lowering rates. Policymakers have left rates unchanged since July and have signaled that the next move is likely a cut. Logan, who is not a voting member of the Fed’s policy-setting committee this year, called disinflation progress so far “tremendous” but added that there’s more work to do. She also said that while growth remains robust and the labor market tight — though loosening — she’s watching for risks to the economic outlook. For example, Logan flagged geopolitical tensions that could disrupt supply chains and reignite inflation pressures. The inflation progress seen at the end of last year was confirmed in closely watched annual revisions released earlier on Friday. Consumer prices excluding food and energy items rose at a 3.3% annualized rate in the final three months of 2023, matching the previous reading, Bureau of Labor Statistics data showed. Logan, who spent more than 20 years at the New York Fed in financial-market operations, said the unwinding of the Fed’s balance sheet has been going “very smoothly so far.” She added, “the Treasury market has been very resilient.” Logan said earlier this year that policymakers should begin discussing the parameters around a Fed decision to slow the pace of its balance-sheet runoff. She said such slowing should start as balances in the overnight reverse repurchase facility get to a low level. In separate comments Friday, Atlanta Fed President Raphael Bostic said the central bank must ensure inflation returns to its 2% target, emphasizing a need to “stay the course.”

❖ The European Central Bank will soon need to start cutting interest rates, according to Governing Council member Fabio Panetta. “Macroeconomic conditions suggest that disinflation is at an advanced stage, and progress toward the 2% target continues to be rapid,” he said on Saturday at the annual Assiom Forex event in Genoa. “The time for reversal of the monetary policy stance is fast approaching.” ECB officials are preparing to loosen policy this year — probably from April or June — with investors leaning toward the earlier of the two. The outcome will hinge on inflation, which has plunged over recent months but isn’t expected to meet the 2% target again until next year. “There has been no upward de-anchoring of inflation expectations — if anything downside risks are emerging,” Panetta said. “Concerns about the hypothesis of persistently high core inflation have also proven groundless.” Several policymakers have suggested that wage increases could feed through to consumer-price growth and the ECB needs to wait for those data. The Italian central bank chief, known for his dovish stance, said such a threat is exaggerated. “The risk remains that still strong nominal wage growth could reignite inflation,” Panetta said. “This possibility should not be underestimated, but a closer look at the data allays these concerns.” He also warned against delaying a move too much. “If monetary policy were to take too long to accompany the ongoing disinflation, downside risks to inflation could emerge that would conflict with the symmetrical nature of the objective set by the ECB’s Governing Council,” he said.

Fundamental Outlook: Gold and silver prices are trading range-bound today on the international bourses. We expect gold and silver prices to trade range-bound to slightly higher for the day, as bullion prices are steady following a weekly decline, as traders weighed the outlook for interest rates ahead of crucial US economic data due this week.

Key Market Levels for the Day

Time	Month	S3	S2	S1	R1	R2	R3
Gold – COMEX	Apr	1995	2015	2030	2040	2055	2070
Silver – COMEX	Mar	22.25	22.45	22.60	22.80	23.00	23.30
Gold – MCX	Apr	61700	61950	62200	62400	62650	62800
Silver – MCX	Mar	69400	70000	70600	71000	71500	72000

Nirmal Bang Securities - Daily Currency Market Update

Dollar Index

LTP/Close	Change	% Change
104.11	0.11	0.10

Bond Yield

10 YR Bonds	LTP	Change
United States	4.1754	0.0214
Europe	2.3800	0.0280
Japan	0.7260	0.0210
India	7.1060	0.0270

Emerging Market Currency

Currency	LTP	Change
Brazil Real	4.9544	-0.0428
South Korea Won	1328.25	0.5500
Russia Rubble	91.15	0.029
Chinese Yuan	7.1936	-0.0031
Vietnam Dong	24428	2
Mexican Peso	17.088	-0.0582

NSE Currency Market Watch

Currency	LTP	Change
NDF	83.1	0.04
USDINR	83.0775	0.05
JPYINR	55.815	-0.045
GBPINR	104.7425	0.0425
EURINR	89.5475	0.055
USDJPY	148.88	0.3
GBPUSD	1.2612	-0.0006
EURUSD	1.078	0.0004

Market Summary and News

❖ The dollar is poised for a sixth week of gains as Treasury yields reach year-to-date highs and traders scale back bets on Federal Reserve rate cuts. The index is on track for its longest weekly winning run since early September. Policy-sensitive two-year Treasuries were up three basis points at 4.48%; swaps are pricing about 17 basis points of cuts in May, down from 22 basis points a week ago. Dallas Fed President Lorie Logan said she sees no urgency to cut interest rates right now, adding that policymakers have time to assess incoming economic data. Atlanta Fed President Raphael Bostic said policymakers must ensure inflation returns to the central bank's 2% target, emphasizing a need to "stay the course." Implied fell across tenors and currencies due to a holiday period in China and as traders await US CPI next week. USD/JPY was little changed at 149.34, pulling back for a two-month high of 149.58 set after Bank of Japan Governor Kazuo Ueda said financial conditions in Japan will remain easy even after the Bank of Japan puts an end to the world's last negative rate regime. The yen trimmed losses amid a surge in GBP/JPY activity though remains poised for a six-week losing streak versus the dollar, its worst run in nearly a year. "To see a sustained and material upside break of 150; I think you really need to see another couple weeks of very strong US data," said Erik Nelson, macro strategist at Wells Fargo. NZD/USD was rose as much as 1.0% to 0.6158; kiwi is up 1.5% versus the greenback on the week, beating its G-10 counterparts and 0.1% weekly rise of the Aussie dollar. EUR/USD was little changed at 1.0786; the common currency is marginally down on the week, headed for its fourth-straight week of losses, its worst performance since late September. EUR/CHF climbs as much as 0.3% to 0.94402, highest since Jan. 24, the franc is the worst performing G-10 currency the past week. The European Central Bank is signaling to lenders that they may face higher capital requirements if they have an insufficient handle on risks they face from commercial real estate, according to people familiar with the matter. GBP/USD also little changed, after rising 0.2% to 1.2643 amid rising gilt yields. USD/CAD is little changed at 1.3458, paring a loss after a report that Canada added more jobs in January than expected.

❖ A gauge for emerging-market currencies fell for the first week in three, dragged down by the Chilean peso. Utility and materials stocks led losses in a similar index for equities on Friday, causing the gauge to trim a weekly gain. The Brazilian real, the Colombian peso and the Hungarian forint led EMFX gains on Friday. All major Latin American currencies reached session highs after the US release on CPI revisions, easing concern about hidden inflation pressures in the world's biggest economy. In Mexico, lower-than-expected industrial production data reported Friday supports more dovish signals provided by the Bank of Mexico on Thursday. The Chilean peso retreated after briefly reversing its intraday direction when US revisions confirmed recent inflation figures, removing market uncertainty. Ecuador bonds jumped to a session high after the country's National Assembly failed to overturn a veto by President Daniel Noboa, allowing his decision to increase the value-added tax to go ahead. Asset managers boosted their bullish bets on the Mexican peso, according to data released Friday from the CFTC through Feb. 6. Israel received its first-ever sovereign downgrade as Moody's Investors Service lowered its credit rating citing the impact of the ongoing military conflict with Hamas on its finances.

❖ Indian bond traders are awaiting January retail inflation data after the RBI surprised with a hawkish hold last week. Higher US yields and crude prices may push bonds lower at open. USD/INR gained 0.1% to 83.0325 on Friday. Implied opening from forwards suggests spot may start trading around 83.04. 10-year yields rose 3bps to 7.11% on Friday. Finance Minister Nirmala Sitharaman and Reserve Bank of India Governor Shaktikanta Das to speak at RBI board meeting, followed by a press briefing. Barclays expects INR to remain in demand given its high carry/vol ratio, low sensitivity to the USD/US rates, and follow-through from the RBI's hawkish hold. The RBI expressed confidence on the ease of managing the current account deficit, drawing comfort from strong FX cover, reinforcing confidence in the currency; however, ongoing RBI intervention is expected to prevent any sharp drop in USD/INR below 83.00. A slower-than-expected drop in inflation may prove to be a stumbling block for India's rates markets; but expect the path of yields to be lower and look for the last auction of the current fiscal year to be easily absorbed, while the RBI attempts to keep liquidity in check. NOTE: India's inflation probably slowed to 5% in January, from 5.7% in the previous month, according to a Bloomberg survey of economists. Global Funds Buy Net 1.42B Rupees of Indian Stocks Feb. 9: NSE. They sold 2.8 billion rupees of sovereign bonds under limits available to foreign investors, and added 2.56 billion rupees of corporate debt. State-run banks bought 40.8 billion rupees of sovereign bonds on Feb. 9: CCL data. Foreign banks sold 25.9 billion rupees of bonds.

Key Market Levels for the Day

	S3	S2	S1	R1	R2	R3
USDINR Spot	82.8225	82.8875	82.9455	83.0475	83.1250	83.2075

Nirmal Bang Securities - Bullion Technical Market Update

Gold Market Update



Market View	
Open	62464
High	62544
Low	62170
Close	62294
Value Change	-149
% Change	-0.24
Spread Near-Next	296
Volume (Lots)	3274
Open Interest	13692
Change in OI (%)	-1.92%

Gold - Outlook for the Day

BUY GOLD APR (MCX) AT 62200 SL 61950 TARGET 62500/62650

Silver Market Update



Market View	
Open	71050
High	71180
Low	70426
Close	70774
Value Change	-63
% Change	-0.09
Spread Near-Next	1358
Volume (Lots)	16894
Open Interest	29292
Change in OI (%)	-3.82%

Silver - Outlook for the Day

BUY SILVER MAR (MCX) AT 70600 SL 69900 TARGET 71200/71800

Nirmal Bang Securities - Currency Technical Market Update

USDINR Market Update



Market View	
Open	83.075
High	83.105
Low	82.9525
Close	83.0775
Value Change	0.05
% Change	0.0602
Spread Near-Next	0.1553
Volume (Lots)	1286132
Open Interest	2394333
Change in OI (%)	0.73%

USDINR - Outlook for the Day

The USDINR future witnessed a gap-up opening at 83.07, which was followed by a session that showed minimal buying lower level with candle closures near high. A long doji candle formed by the USDINR price closed below 10-days moving average placed at 83.09. 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 83.15.

Key Market Levels for the Day

	S3	S2	S1	R1	R2	R3
USDINR February	82.9025	82.9575	83.0075	83.1475	83.2025	83.2575

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