



Daily Bullion Physical Market Report

Date: 14th March 2023

Daily India Spot Market Rates

Description	Purity	AM	PM
Gold	999	56748	56968
Gold	995	56521	56740
Gold	916	51981	52182
Gold	750	42561	42726
Gold	585	33197	33326
Silver	999	63430	63666

*Rate as exclusive of GST as of 13th March 2023 Gold is Rs/10 Gm & Silver in Rs/Kg

Gold and Silver 999 Watch

Date	GOLD*	SILVER*
13 th March 2023	56968	63666
10 th March 2023	55669	61791
09 th March 2023	55286	61793
08 th March 2023	55245	61883

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

COMEX Futures Watch

Description	Contract	Close	Change	%Chg
Gold(\$/oz)	APR 23	1916.50	49.30	2.64
Silver(\$/oz)	MAY 23	21.92	1.42	6.91

ETF Holdings as on Previous Close

ETFs	Long	Short
SPDR Gold	903.15	0.00
iShares Silver	14,894.81	0.00

Gold and Silver Fix

Description	LTP
Gold London AM Fix(\$/oz)	1882.10
Gold London PM Fix(\$/oz)	1911.30
Silver London Fix(\$/oz)	21.10

Bullion Futures DGCX

Description	Contract	LTP
Gold(\$/oz)	APR. 23	1918.7
Gold Quanto	APR. 23	57662
Silver(\$/oz)	MAY. 23	21.88

Gold Ratio

Description	LTP
Gold Silver Ratio	87.42
Gold Crude Ratio	25.62

Weekly CFTC Positions

	Long	Short	Net
Gold(\$/oz)	119178	66721	52457
Silver	33111	27547	5564

MCX Indices

Index	Close	Net Change	% Chg
MCX iCOMDEX Bullion	15069.63	521.15	3.46 %

Macro-Economic Indicators

Time	Country	Event	Forecast	Previous	Impact
14 th March 06:00 Pm	United States	CPI m/m	0.4 %	0.5 %	High
14 th March 06:00 Pm	United States	CPI y/y	6.0 %	6.4 %	High
14 th March 06:00 Pm	United States	Core CPI m/m	0.4 %	0.4 %	High



Nirmal Bang Securities - Daily Bullion News and Summary

❖ Gold jumped the most in a day's trading since November as Silicon Valley Bank's collapse led investors to seek haven in bullion and concerns surrounding the financial industry mount. Bullion advanced 2.4%, bringing its gains this month to 4.8%, the most since January, as the fallout from SVB's collapse combined with a decline in the dollar index to drive up prices. It's a rapid turnaround for gold, which in the year prior to last week's meltdown of SVB was down 12%. The precious metal has now jumped above its 50-day moving average, signaling a change in momentum.

❖ State Street's SPDR Gold Shares, the biggest precious-metals ETF, maintained its holdings in the last session. The fund's total of 29 million ounces has a market value of \$54.2 billion. ETFs added 42,963 troy ounces of silver to their holdings in the last trading session, bringing this year's net purchases to 8.6 million ounces. The purchases were equivalent to \$882,438.54 at the previous spot price. Total silver held by ETFs rose 1.2 percent this year to 757.6 million ounces. Silver declined 14 percent this year to \$20.54 an ounce and rose by 2.3 percent in the latest session.

❖ US inflation data later on Tuesday may now be just a sideshow after the collapse of SVB. US two-year yields dropped Monday by the most since 1982 — completing an astonishing three-day slump from above 5% to below 4% in the space of three trading days. Even if CPI comes in hotter than expected, the Fed will face enormous pressure to call a halt to the steepest tightening cycle in a generation. Rates traders have switched from pricing in rapid Fed interest-rate hikes to projecting that the cash rate will be at least half a point lower within six months. Fed Chair Jerome Powell would risk further turmoil if he and his colleagues stick to their previous guidance and raise borrowing costs next week. Markets might also then move to price in even more rate cuts going forward. Even if the SVB crisis wanes, traders are effectively telling the central bank it needs to step back to ensure the economy can cope with the current cash rate, let alone a higher one.

❖ The most important event on the economic calendar ahead of the Federal Reserve's monetary policy meeting this month is no longer the latest reading on inflation. Tuesday's consumer price index reading is being overshadowed by turmoil in the banking industry. Silicon Valley Bank on Friday became the biggest US lender to fail in more than a decade just days after Silvergate Capital Corp. announced it was shutting its bank. Then on Sunday, New York state financial regulators seized Signature Bank. The collapses led the Fed to launch a new emergency program to backstop banks. So now inflation is no longer top of mind for investors. "The usual statistics — even one as critical as CPI — take a back seat to a banking crisis," said Steve Sosnick, chief strategist at Interactive Brokers. The events are triggering traders to recalculate the magnitude and pace of the Fed's interest-rate hiking path to tame inflation. Pacific Investment Management Co.'s Daniel Ivascyn said Monday the Fed could pause rate increases as soon as this month, while economists at Goldman Sachs Group Inc. said they no longer expect the central bank to deliver a rate hike at its March meeting. As a more aggressive Fed seems unlikely, yields on 10-year Treasuries fell 18 basis points Monday in New York to 3.52%, following a 20-basis-point drop on Friday. Meanwhile, the yield on the two-year at one point Monday fell nearly 60 basis points to 3.99%.

❖ The Federal Reserve is launching an internal probe of its supervision of Silicon Valley Bank after its collapse sparked sharp criticism of the central bank's oversight. Vice Chair for Supervision Michael Barr will lead the review, due for public release by May 1, the Fed said Monday. The collapse of the lender, which was overseen by the Federal Reserve Bank of San Francisco, was the biggest bank failure in more than a decade. "The events surrounding Silicon Valley Bank demand a thorough, transparent, and swift review by the Federal Reserve," Fed Chair Jerome Powell said in a statement. Questions about who was at fault in SVB's collapse surfaced quickly after regulators were forced to take emergency action on Sunday evening to stanch instability across small lenders. Biden administration officials are scrutinizing the quality of supervision undertaken by California state authorities and the San Francisco Fed, according to people familiar with the matter. Regulators in Washington are assessing whether SVB and New York's Signature Bank, which was closed after failure on Sunday, had conducted the required planning and stress testing as the Fed raised interest rates starting last year, one of the person said, speaking on the condition of anonymity. Signature had roughly \$88.6 billion in deposits as of Dec. 31.

❖ **Fundamental Outlook:** Gold and silver prices are trading slightly lower today on international bourses. We expect precious metals prices on Indian bourses to trade range-bound to higher for the day. We recommend buy on dips in gold and silver in intra-day trading sessions, as gold prices were little changed after surging more than 5% in the three previous sessions as traders turned to haven assets amid the widening US banking crisis.

Key Market Levels for the Day

Time	Month	S3	S2	S1	R1	R2	R3
Gold – COMEX	April	1820	1835	1850	1875	1888	1900
Silver – COMEX	May	20.85	21.05	21.25	21.55	21.70	21.95
Gold – MCX	April	56900	57100	57350	57700	57900	58100
Silver – MCX	May	64800	65500	66100	66800	67500	68100



Nirmal Bang Securities - Daily Currency Market Update

Dollar Index

LTP/Close	Change	% Change
103.60	-0.98	-0.94

Bond Yield

10 YR Bonds	LTP	Change
United States	3.5732	-0.1255
Europe	2.2530	-0.2510
Japan	0.3480	-0.0630
India	7.3570	-0.0590

Emerging Market Currency

Currency	LTP	Change
Brazil Real	5.2469	0.0324
South Korea Won	1301.65	-22.8500
Russia Rubble	75.4187	-0.7074
Chinese Yuan	6.8483	-0.0689
Vietnam Dong	23624	-69
Mexican Peso	18.9136	0.4087

NSE Currency Market Watch

Currency	LTP	Change
NDF	82.65	-0.11
USDINR	82.225	0.0825
JPYINR	61.7075	1.445
GBPINR	99.205	0.7725
EURINR	87.7975	0.6525
USDJPY	133.29	-3.15
GBPUSD	1.2063	0.0081
EURUSD	1.0672	0.0063

Market Summary and News

❖ The dollar may come under further pressure with US rates likely to go lower amid the prospect of more financial contagion. USD sales and carry unwinds were thematic Monday. FX markets struggled for direction. Currencies were stuck between risk off and expectations for a more cautious Fed outlook given jitters in the banking system. Liquidity was also a challenge, according to traders. In the end, the dollar weakened amid real money and system sales while macro money sold dollar-franc and yen crosses. The pound and euro largely tracked rising gold prices. In options, DTCC volumes were running about 50% above the recent daily average. Gamma remained in demand, particularly for non-dollar havens. Overnight yen volatility is 27% ahead of US CPI. Elsewhere, hedge funds bought the offshore yuan and Aussie dollar while loonie shorts built up after last week's Bank of Canada meeting unwound positions. The Mexican peso saw a heavy bout of selling mid-morning as carry trades unraveled.

❖ Asia bonds can only gain after benchmark Treasuries surged. Traders will also likely scale back their interest-rate forecasts for the region following a similar move in the US. Swaps show traders have mostly given up bets on higher Fed rates because of turmoil in the banking system. If it turns out to be the right call, central banks in Asia and elsewhere won't have to worry so much about keeping up with the Fed. The Asia bond rally was already underway Monday. But US two-year yields went on to plunge around 60bps, meaning other bond markets around the world will have to adjust even more to this massive move. Short-term rates are already falling in New Zealand and Australia. Two other patterns from the US that may be repeated in Asia: Bank stocks got clobbered. Tech stocks benefited from the decline in yields.

❖ The European outperformance trade has been shaken, ironically thanks to its banks. The Stoxx 600 ended down 2.4%, off the lows of the day. Today's decline means it is now lagging the S&P 500 for the month, although still outperforming year-to-date. Banks were the big culprit (even if the selloff was overdone) because of tumbling yields. Other more cyclical sectors such as autos and energy also lagged, suggesting markets were pricing in a fragile bull case. European banks' exposure to SVB is limited but has fed through to the rates markets and even the ECB. The central bank's plans for more big interest-rate hikes are set to meet stronger opposition this week, according to officials with knowledge of the matter. The odds of a half-point hike on Thursday — once all but guaranteed — fell below 50%. There are many reasons for European stocks to outperform their US peers: better valuations and profits, including at its banks. European banks have dropped less than US peers this month but the knee-jerk selling in anything considered risky has pressured the region's stocks overall, even if it's overblown.

❖ Indian bond traders will be assessing the February inflation print which breached the central bank's target for a second straight month, raising the odds for further tightening by the central bank. Consumer prices rose 6.44% last month from a year earlier, according to data released by the Statistics Ministry Monday after close of market hours. That's lower than a 6.52% gain in January and compares with a 6.40% median estimate in a Bloomberg survey. "We continue to expect RBI to hike policy rates by 25bps in April," says Gaura Sen Gupta, an economist at IDFC First Bank in a note. The January and February CPI prints will only increase the rate-setting committee's concern on core inflation showing persistence. Expect focus to remain on reducing inflation, both globally and in India despite the recent volatility in US banks. 10-year yields fell 6bps to 7.36% on Monday. USD/INR rises 0.1% to 82.1263. Implied opening from forwards suggest spot may start trading around 82.3343. Foreigners sold 15.47B rupees of Indian stocks on Monday, provisional NSE data shows. Overseas investors bought 2.29 billion rupees of sovereign bonds under limits available to foreign investors on Monday, and added 720 million rupees of corporate debt. State-run banks sold 26.4 billion rupees of sovereign bonds on March 13: CCIL data. Foreign banks bought 34.8 billion rupees of bonds.

Key Market Levels for the Day

	S3	S2	S1	R1	R2	R3
USDINR Spot	81.7075	81.9075	82.0550	82.4025	82.5225	82.6250



Nirmal Bang Securities - Bullion Technical Market Update

Gold Market Update



Market View	
Open	56667
High	57680
Low	56353
Close	57642
Value Change	1492
% Change	2.66
Spread Near-Next	599
Volume (Lots)	10611
Open Interest	9674
Change in OI (%)	2.42%

Gold - Outlook for the Day

Gold prices are trading positive likely to trade between \$ 1860-1930 try to buy on lower levels for the target of \$ 1930.

BUY GOLD APRIL (MCX) AT 57350 SL 57100 TARGET 57700/57900

Silver Market Update



Market View	
Open	63623
High	66770
Low	63348
Close	66652
Value Change	3762
% Change	5.98
Spread Near-Next	878
Volume (Lots)	36713
Open Interest	13338
Change in OI (%)	-15.05%

Silver - Outlook for the Day

Silver supportive around \$ 22.10-22.20; Buy around 21.45 for the target of \$ 22.15-22.25.

BUY SILVER MAY (MCX) AT 66100 SL 65100 TARGET 67000/67500



Nirmal Bang Securities - Currency Technical Market Update

USDINR Market Update



Market View	
Open	81.9
High	82.2875
Low	81.8175
Close	82.225
Value Change	0.0825
% Change	0.1
Spread Near-Next	0.1639
Volume (Lots)	3334868
Open Interest	2491644
Change in OI (%)	-1.22%

USDINR - Outlook for the Day

Over the previous few days, the USDINR March futures have been steady within a limited range of 81.80-82.40. The market created a green candle today, which faced the 81.80 level, serves as a significant support, and closed below the 10-day EMA. Resistance for the price comes from the 20-day exponential moving average placed at 82.59. The momentum indicator RSI is trailing between 40 to 45 on the daily chart. We are anticipating USDINR March futures to trade in the range of 82.05–82.45 for today.

Key Market Levels for the Day

	S3	S2	S1	R1	R2	R3
USDINR March	81.8050	81.9525	82.1050	82.3875	82.4825	82.5950



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