

Daily Bullion Physical Market Report

Date: 14th May 2024

Daily India Spot Market Rates

Description	Purity	AM	PM
Gold	999	72490	72164
Gold	995	72200	71875
Gold	916	66401	66102
Gold	750	54368	54123
Gold	585	42407	42216
Silver	999	83265	83494

Rate as exclusive of GST as of 13th May 2024 Gold is Rs/10 Gm & Silver in Rs/Kg

Gold and Silver 999 Watch

Date	GOLD*	SILVER*
13 th May 2024	72164	83494
10 th May 2024	73008	84215
09 th May 2024	71502	82342
08 th May 2024	71645	81542

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

COMEX Futures Watch

Description	Contract	Close	Change	%Chg
Gold(\$/oz)	JUNE 24	2343.00	-32.00	-1.35
Silver(\$/oz)	JULY 24	28.44	-0.06	-0.22

ETF Holdings as on Previous Close

ETFs	In Tonnes	Net Change
SPDR Gold	831.92	1.45
iShares Silver	13,101.49	-31.27

Gold and Silver Fix

Description	LTP
Gold London AM Fix(\$/oz)	2340.30
Gold London PM Fix(\$/oz)	2343.80
Silver London Fix(\$/oz)	28.13

Bullion Futures DGCX

Description	Contract	LTP
Gold(\$/oz)	JUNE 24	2344.2
Gold Quanto	JUNE 24	71875
Silver(\$/oz)	MAY 24	28.49

Gold Ratio

Description	LTP
Gold Silver Ratio	82.38
Gold Crude Ratio	29.61

Weekly CFTC Positions

	Long	Short	Net
Gold(\$/oz)	189194	26062	163132
Silver	55228	20314	34914

MCX Indices

Index	Close	Net Change	% Chg
MCX iCOMDEX Bullion	18456.52	-164.38	-0.89 %

Macro-Economic Indicators

Time	Country	Event	Forecast	Previous	Impact
14 th May 06:00 PM	United States	Core PPI m/m	0.2%	0.2%	High
14 th May 06:00 PM	United States	PPI m/m	0.3%	0.2%	High
14 th May 06:40 PM	United States	FOMC Member Cook Speaks	-	-	Low
14 th May 07:30 PM	United States	Fed Chair Powell Speaks	-	-	High

Nirmal Bang Securities - Daily Bullion News and Summary

□ Gold slipped from a three-week high, as traders weighed a potential slowdown in the US economy against persistent inflationary pressures that may hamper plans by the Federal Reserve to lower borrowing costs this year. Bullion fell as much as 1.1% to trade at \$2,334 an ounce, after posting a 2.6% gain last week following a report that showed US consumer sentiment declining to a six-month low — suggesting key parts of the economy were cooling. That prompted swaps traders to boost bets on policy easing, even as short-term inflation expectations also picked up. Investors were also assessing hawkish comments from US officials. The Fed’s Bank of Dallas President Lorie Logan said last week it’s still too early to think about reducing interest rates, while Fed Governor Michelle Bowman said she doesn’t expect it will be appropriate for the Fed to cut rates in 2024. Elevated borrowing costs are typically negative for the gold, which doesn’t pay interest. Markets will be closely watching US April inflation data due Wednesday, which could shed more light on the US central bank’s easing trajectory. The precious metal has risen 13% this year and hit a record last month, underpinned by central bank buying and heightened geopolitical risks in the Middle East, which have drawn haven flows. Bullion has also been supported by increased demand from China, where appetite has soared as investors grapple with an underperforming economy and lackluster markets. Still, hedge funds trading Comex futures cut bullish bets on gold to a six-week low in the week ending May 7, according to the latest data from the Commodity Futures Trading Commission.

□ Exchange-traded funds cut 63,305 troy ounces of gold from their holdings in the last trading session, bringing this year’s net sales to 5.04 million ounces, according to data compiled by Bloomberg. This was the third straight day of declines. The sales were equivalent to \$149.4 million at the previous spot price. Total gold held by ETFs fell 5.9 percent this year to 80.5 million ounces, the lowest level since Sept. 18, 2019. Gold advanced 14 percent this year to \$2,360.50 an ounce and by 0.6 percent in the latest session. State Street’s SPDR Gold Shares, the biggest precious-metals ETF, boosted its holdings by 46,910 ounces in the last session. The fund’s total of 26.7 million ounces has a market value of \$63.1 billion. ETFs also cut 1.73 million troy ounces of silver from their holdings in the last trading session, bringing this year’s net sales to 9.08 million ounces.

□ Zimbabwe will allow mobile money agents, once blamed for fueling the collapse of its now defunct Zimbabwean dollar, to operate again to boost the use of its new gold-backed currency. Econet Wireless Zimbabwe Ltd., founded by tycoon Strive Masiyiwa, state-owned NetOne and Telecel’s agents will be allowed to start operating in the coming weeks to increase the use of the ZiG and curb the unofficial market, according to a proposal by Zimbabwe’s Treasury. Introduced on April 5, the ZiG, short for Zimbabwe Gold, is the nation’s sixth attempt at a stable local currency in 15 years. It replaced the Zimbabwean dollar, whose value had plummeted 80% against the greenback this year. The agents, who number thousands, were banned from operating in July 2020 after those working for Econet’s Ecocash, the largest mobile operator, were accused of charging premiums on transactions. Their actions were blamed for driving one of several collapses in the Zimbabwean dollar. The company has previously denied any wrongdoing. The agents will act as a bureaux de change and help the public access small amounts of foreign currency for everyday use, Kuda Mnangagwa, the deputy finance minister, said. “This means if you have an Econet line and if you register for Ecocash you can convert from ZiG to US dollars or from US dollars to ZiG at the official exchange rate,” he told lawmakers in parliament last week. “That is the first part to allow inter-changeability without having to go to the streets.”

□ Federal Reserve vice Chair Philip Jefferson said it’s appropriate to keep interest rates steady until there is additional evidence that inflation will return to the central bank’s 2% target. Jefferson, who described Fed policy as restrictive, said he finds the lack of inflation progress in the first quarter concerning. “In light of the attenuation in progress, in terms of getting inflation down to our target, it is appropriate that we maintain the policy rate in restrictive territory, which it is right now,” Jefferson said at a Cleveland Fed event Monday. “We continue to look for additional evidence that inflation is going to return to our 2% target. And until we have that, I think it is appropriate to keep the policy rate in restrictive territory.” Policymakers left the benchmark interest rate unchanged at a 23-year high earlier this month. Fed Chair Jerome Powell did not comment on the timing of when the central bank will lower borrowing costs. Jefferson’s remarks on policy followed a speech in which he said communication from officials with diverging views can lead to confusion about the course of policy among the public. “The diversity of viewpoints among policymakers lends itself to stimulating debates and, ultimately, better policy,” Jefferson said. “But in such a situation, more communication could increase rather than reduce uncertainty about our policies.” Fed communication policy is emerging as a relevant topic for the central bank’s strategy review, given the volatility created by abrupt shifts in officials’ rate outlook in recent months. The details of what the review will cover, which begins at the end of this year, have not been announced.

□ US consumer expectations for inflation and home prices rose in April while perceptions of the labor market weakened, underscoring an uneasy backdrop for household finances and the cost of living. Consumers expect prices will climb at an annual rate of 3.3% over the next year after hovering around 3% for the past four months, a Federal Reserve Bank of New York survey showed. That marked the highest reading since November. Anticipated home price growth rose at a similar pace — the fastest advance since July 2022. The data follow a string of reports that have indicated sticky inflation and a relentless run-up in home prices. Data out this week is projected to show US consumer prices still rose at stubborn pace last month, and shelter has been consistently responsible for boosting measures of inflation. The New York Fed’s survey mirrors recent findings from the University of Michigan’s poll of consumers, which showed year-ahead inflation expectations in early May rose to a six-month high. Longer-term inflation outlooks in both surveys also picked up. Many Fed officials have indicated they want to see more evidence that inflation is moving sustainably toward the central bank’s 2% goal before cutting interest rates. Investors expect the central bank will reduce rates once or twice by the end of the year, futures markets show.

Fundamental Outlook: Gold and silver prices are trading slightly higher today on the international bourses. We expect gold and silver prices to trade range-bound to slightly higher for the day, as gold prices held a decline as traders awaited a crucial US inflation print that could help shape the outlook for Federal Reserve monetary policy.

Key Market Levels for the Day

Time	Month	S3	S2	S1	R1	R2	R3
Gold – COMEX	June	2300	2320	2350	2365	2380	2400
Silver – COMEX	May	28.00	28.30	28.50	28.65	28.90	29.15
Gold – MCX	June	71200	71500	71750	71900	72200	72450
Silver – MCX	May	83500	84100	84700	85300	85850	86500

Nirmal Bang Securities - Daily Currency Market Update

Dollar Index

LTP/Close	Change	% Change
105.22	-0.08	-0.08

Bond Yield

10 YR Bonds	LTP	Change
United States	4.4865	-0.0098
Europe	2.5090	-0.0070
Japan	0.9370	0.0250
India	7.1150	-0.0120

Emerging Market Currency

Currency	LTP	Change
Brazil Real	5.1511	-0.007
South Korea Won	1368.25	0.2000
Russia Rubble	91.5883	-1.1055
Chinese Yuan	7.2334	0.0065
Vietnam Dong	25452	0
Mexican Peso	16.8049	0.0262

NSE Currency Market Watch

Currency	LTP	Change
NDF	83.59	0.01
USDINR	83.5575	0.005
JPYINR	53.5625	-0.1825
GBPINR	104.5925	0.0725
EURINR	90.105	0.15
USDJPY	155.55	0.26
GBPUSD	1.2558	0.0006
EURUSD	1.077	-0.0015

Market Summary and News

□ Indian bond traders will parse inflation data that showed the headline print was little changed in April as food prices remained high. States to sell 65b rupees of bonds on Tuesday. The consumer price index rose 4.83% from a year earlier, compared with 4.85% in March, the Statistics Ministry said Monday. Economists in a Bloomberg survey had predicted 4.8%. Strong domestic growth conditions provide RBI monetary policy space to remain on hold, until there is further clarity on food inflation risks and Fed policy, according to an IDFC FIRST Bank note. Moreover, with interest rate differential (between India and US) at historical lows, RBI is expected to lag the Fed in terms of quantum and timing of rate cuts. RBI rate cut cycle is expected to start from October (at the earliest), provided the Fed rate cut cycle starts from September USD/INR little changed at 83.5275 on Monday. Implied opening from forwards suggest spot may start trading around 83.52. 10-year yields fell 1bps to 7.12% on Monday. India to sell 310b rupees of bonds on Friday: RBI. Global Funds Sell Net 45B Rupees of India Stocks on May 13: NSE. They bought 850 million rupees of sovereign bonds under limits available to foreign investors, and withdrew 1.27 billion rupees of corporate debt. State-run banks sold 12.9 billion rupees of sovereign bonds on May 13: CCIL data. Foreign banks bought 8.39 billion rupees of bonds.

□ Developing-world currencies were little changed ahead of a US inflation print this week that's considered key to the Fed's path on interest rates. The Brazilian real closes 0.1% higher to 5.1506 per dollar; investors keep a close eye on the impact flooding in the south of the country may have on the fiscal accounts. Analysts lifted their 2024 year-end interest rate forecasts after the central bank slowed the pace of its borrowing cost reductions in a split vote that exposed deep rifts among its leadership. A central bank statement that underscored friction within the board tainted the pricing of Brazil's swap curve, which is showing fewer cuts than traders and analysts think it should. Goldman Warns on Emerging Markets Risks From 'Sinister' Dollar. Meantime, the Chilean peso climbs 0.2% versus the greenback. Currency trims its year-to-date loss to just over 5% as money managers reassess rate-cut bets. Colombian markets were closed for a holiday, while the Mexican peso sells off amid risk aversion. The Peruvian sol was unchanged as traders shrug off renewed political turmoil as authorities launched a new criminal investigation against President Dina Boluarte over an alleged cover-up. China 10-year yield fell 3bps as weak credit data fueled monetary easing expectations. China's credit in April shrank for the first time as government bond sales slowed. Poland's zloty advanced against the euro after MPC member Henryk Wnoroński said prospects for rate cuts were fading. The koruna strengthened as much as 0.6% against the euro after the Czech inflation data. South Africa's rand strengthened a third day.

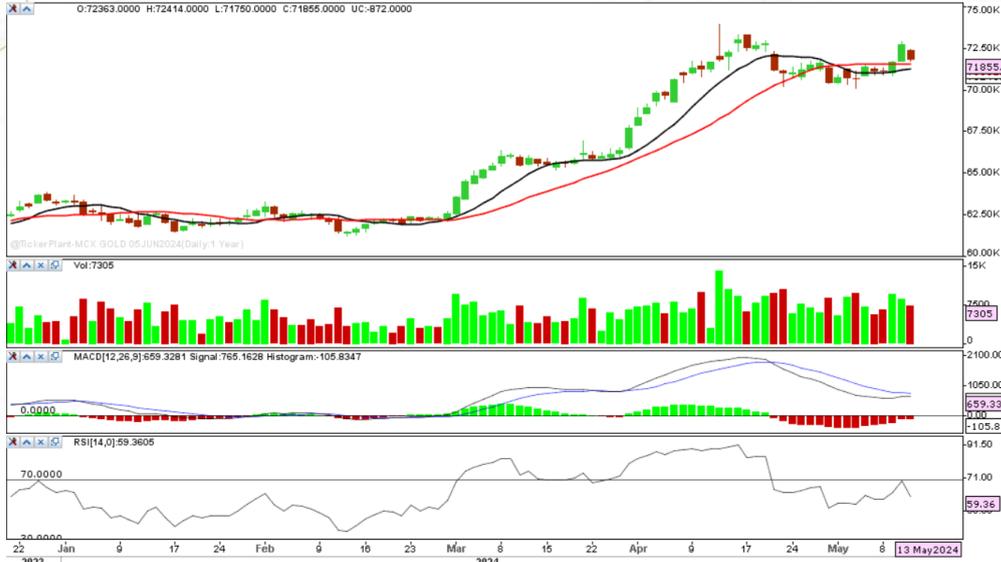
□ The dollar is set end Monday's session little changed, reversing an earlier loss after a NY Fed survey showed one-year inflation expectations rising in April. The yen fell against all its G-10 peers amid rising commodity prices and lower expectations intervention to buy the currency is imminent. The Bloomberg Dollar Index is nearly unchanged with the greenback trading mixed against its G-10 peers. 10-year Treasury yields are down one basis points to 4.49%. NY Fed one-year inflation expectations rises to 3.26% in April from 3.00% prior; comes ahead of PPI Tuesday and CPI Wednesday. Federal Reserve vice Chair Philip Jefferson said it's appropriate to keep interest rates steady until there is additional evidence that inflation will return to the central bank's 2% target. Treasury Secretary Janet Yellen said the yuan, euro and yen are currencies she monitors and reiterated her discomfort with government intervention; hopes China won't mount a major retaliation against any steps Washington takes to safeguard its investments in critical new industries. Commodity prices finish mostly higher with copper near a two-year high. One-week BBDXY risk reversals touched 0.04% in favor of dollar call options, least bullish since the middle of March, with skew weakness broad-based. USD/JPY jumps 0.3% to 156.25, its highest level since May 2, after triggering stop-loss purchases above 156; accounts start to look for topside optionality with \$300m of 158.50 June 3 strikes and \$500m of 3-mo. 158.75 call trading after the NY Fed survey; EUR/JPY rises as much as 0.5% to 168.66. EUR/USD is up 0.2% at 1.077, near its 200-DMA at 1.0792; eyes the May 3 high of 1.0811 on further gains. Euro 1-week risk reversal moves above par and one-month skew is least euro bearish since March 19. Event-risk vol for Wednesday's US CPI is about 12% for the common currency, according to traders, versus 6.1% for one-week options. One-month euro implied jump to 5.96% from 5.57% Friday as tenor incorporates the June 12 Fed decision, the June 6 European Central Bank meeting and US CPI report for May. President Emmanuel Macron said he would be open to seeing a major French bank being taken over by a European Union rival. EUR/CHF rises 0.3% to 0.97944 highest levels since May 2. GBP/USD up 0.3% at 1.2556, gains a third day; focus is on jobs market data due Tuesday, which is expected to show unemployment edging higher and wage growth cooling slightly. USD/CAD is down marginally at 1.3669; country saw sharper-than-expected decline in building permits for March.

Key Market Levels for the Day

	S3	S2	S1	R1	R2	R3
USDINR Spot	83.3250	83.3725	83.4375	83.5525	83.6025	83.7050

Nirmal Bang Securities - Bullion Technical Market Update

Gold Market Update



Market View	
Open	72363
High	72414
Low	71750
Close	71855
Value Change	-872
% Change	-1.2
Spread Near-Next	195
Volume (Lots)	7305
Open Interest	12674
Change in OI (%)	-13.07%

Gold - Outlook for the Day

BUY GOLD JUNE (MCX) AT 71700 SL 71450 TARGET 72000/72200
SELL GOLD JUNE (MCX) AT 72200 SL 72500 TARGET 71900/71700

Silver Market Update



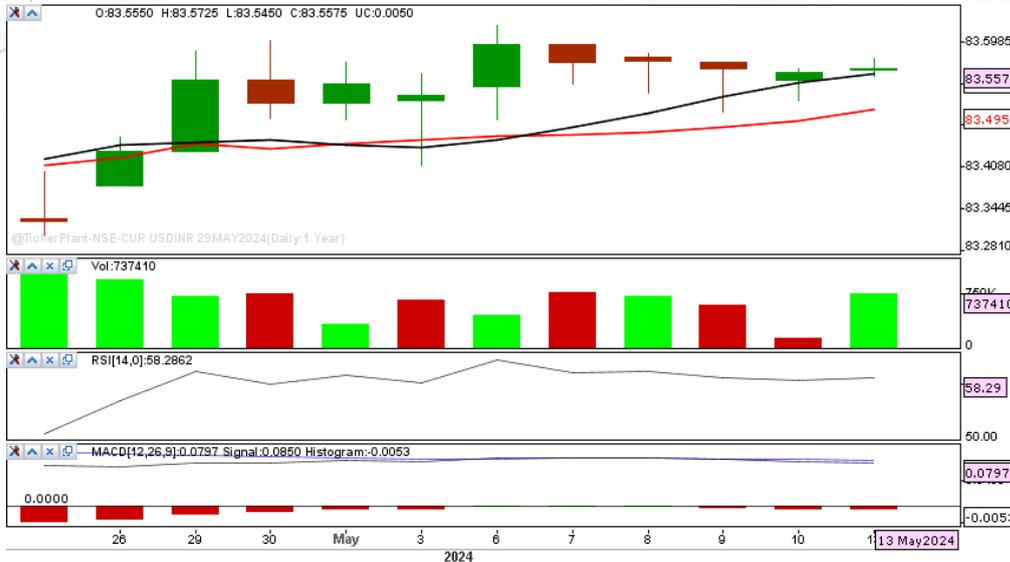
Market View	
Open	84598
High	85234
Low	84377
Close	84886
Value Change	-24
% Change	-0.03
Spread Near-Next	0
Volume (Lots)	8425
Open Interest	27537
Change in OI (%)	-0.29%

Silver - Outlook for the Day

BUY SILVER JULY (MCX) AT 84100 SL 83500 TARGET 84800/85300
SELL SILVER JULY (MCX) AT 85200 SL 85850 TARGET 84500/84100

Nirmal Bang Securities - Currency Technical Market Update

USDINR Market Update



Market View	
Open	83.555
High	83.5725
Low	83.545
Close	83.5575
Value Change	0.005
% Change	0.006
Spread Near-Next	0
Volume (Lots)	737410
Open Interest	3093449
Change in OI (%)	-3.24%

USDINR - Outlook for the Day

The USDINR future witnessed a flat opening at 83.55, which was followed by a session where price shows minimal buying with positive buyer level with candle closures near high. A small doji candle formed by the USDINR price where price having support of 10-days moving averages placed at 83.55. The pair has trading in choppy range for last 7 days. On the daily chart, the MACD showed a negative crossover above the zero-line, while the momentum indicator, RSI trailing between 55-60 levels showed positive indication. We are anticipating that the price of USDINR futures will fluctuate today between 83.50 and 83.60.

Key Market Levels for the Day

	S3	S2	S1	R1	R2	R3
USDINR May	83.4025	83.4550	83.5075	83.6025	83.6550	83.7075

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