

Daily Bullion Physical Market Report

Date: 15th May 2024

Daily India Spot Market Rates

Description	Purity	AM	PM
Gold	999	72202	72335
Gold	995	71913	72045
Gold	916	66137	66259
Gold	750	54152	54251
Gold	585	42238	42316
Silver	999	84080	84080

Rate as exclusive of GST as of 14th May 2024 Gold is Rs/10 Gm & Silver in Rs/Kg

Gold and Silver 999 Watch

Date	GOLD*	SILVER*
14 th May 2024	72335	84080
13 th May 2024	72164	83494
10 th May 2024	73008	84215
09 th May 2024	71502	82342

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

COMEX Futures Watch

Description	Contract	Close	Change	%Chg
Gold(\$/oz)	JUNE 24	2359.90	16.90	0.72
Silver(\$/oz)	JULY 24	28.70	0.26	0.91

ETF Holdings as on Previous Close

ETFs	In Tonnes	Net Change
SPDR Gold	831.92	0.00
iShares Silver	13,101.49	0.00

Gold and Silver Fix

Description	LTP
Gold London AM Fix(\$/oz)	2347.40
Gold London PM Fix(\$/oz)	2354.85
Silver London Fix(\$/oz)	28.43

Bullion Futures DGCX

Description	Contract	LTP
Gold(\$/oz)	JUNE 24	2362
Gold Quanto	JUNE 24	72317
Silver(\$/oz)	MAY 24	28.85

Gold Ratio

Description	LTP
Gold Silver Ratio	82.22
Gold Crude Ratio	30.25

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	18294.88	115.55	0.63 %

Macro-Economic Indicators

Time	Country	Event	Forecast	Previous	Impact
15 th May 06:00 PM	United States	Core CPI m/m	0.3%	0.4%	High
15 th May 06:00 PM	United States	CPI m/m	0.4%	0.4%	High
15 th May 06:00 PM	United States	CPI y/y	3.4%	3.5%	High
15 th May 06:00 PM	United States	Core Retail Sales m/m	0.2%	1.1%	High
15 th May 06:00 PM	United States	Retail Sales m/m	0.4%	0.7%	High
15 th May 06:00 PM	United States	Empire State Manufacturing Index	-10.8	-14.3	High
15 th May 07:30 PM	United States	Business Inventories m/m	0.0%	0.4%	Low
15 th May 07:30 PM	United States	NAHB Housing Market Index	51	51	Low

Nirmal Bang Securities - Daily Bullion News and Summary

□ Gold climbed despite data showing US producer prices rose in April by more than projected, as markets look ahead to tomorrow’s consumer figures. Stickier-than-expected inflation in the US has meant the Federal Reserve has not yet made the steady cuts to interest rates that traders had priced in at the start of the year. Gold’s gains have been 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. Meanwhile, spot platinum traded at its highest levels since June 2023 after the World Platinum Investment Council revised forecasts to issue a bigger market deficit of 476,000 ounces. Mine supply for the metal will fall by 3% this year, the body which is a market development organization for the industry said in a May 13 report.

□ Libyan authorities arrested several high-ranking customs officials in connection with a foiled attempt to smuggle about \$2 billion worth of gold. The detainees, including the director-general of the customs authority and the head of customs at Misrata airport, allegedly conspired with others to traffic about 26 tons of gold bullion, according to a statement on the Facebook page of the Attorney General’s Office. That would be valued at about \$2 billion at current prices. The shipment represents almost a quarter of Libya’s gold reserves of about 116.6 tons, the fourth-highest in Africa. Libya has been mired in chaos since longtime dictator Moammar Al Qaddafi was deposed in 2011, leading to political splits, instability and violence, making it a hub for illicit trafficking over the past decade. Libyan law states only the central bank can export gold, said the office, which opened an investigation into the case in January.

□ Federal Reserve Chair Jerome Powell said the US central bank must be patient and wait for evidence that inflation continues to cool, doubling down on the need to keep borrowing costs elevated for longer. The Fed chief said recent inflation figures indicate it will likely take more time than previously thought to attain the confidence needed to lower interest rates, echoing comments he made earlier this month. “We did not expect this to be a smooth road, but these were higher than I think anybody expected,” Powell said Tuesday, referring to the lack of inflation progress in the first quarter. “What that has told us is that we’ll need to be patient and let restrictive policy do its work.” “It looks like it will take longer for us to become confident that inflation is coming down to 2% over time,” he added. Federal Reserve Chair Jerome Powell says he still expects inflation to move down on a monthly basis amid the recent inflation data but he’s not as confident as he was. Powell speaks at a special event organized by the Netherlands’ Foreign Bankers’ Association. During the event hosted by the Foreign Bankers’ Association in Amsterdam, Powell described current policy as restrictive by “many, many measures” but noted time will tell whether rates are sufficiently high to bring inflation back to the central bank’s 2% goal. The Fed chief reiterated it wasn’t likely that the central bank’s next move will be a hike. “We think that it’s probably a matter of just staying at that stance for longer,” Powell said.

□ Federal Reserve Bank of Kansas City President Jeffrey Schmid said interest rates could remain high “for some time” as policymakers await evidence that price pressures are easing. The Kansas City Fed chief said monetary policy “is in the correct place” and he expects inflation to return to the Fed’s 2% target. “I am prepared to be patient as this process plays out,” Schmid said Tuesday evening in remarks prepared for an agricultural summit in Omaha, Nebraska. “This will require a data-dependent approach that looks at the data over time rather than loading too much weight on any one release.” Schmid, who does not vote on policy decisions this year, said “interest rates could remain high for some time,” citing the prospect of continued large fiscal deficits. “I have no certainty that we are headed back to the low interest rate environment that prevailed in the decade prior to the pandemic,” he said. Fed Chair Jerome Powell repeated Tuesday it will likely take more time than previously thought before the US central bank feels confident enough about the outlook for inflation to lower interest rates. US central bankers, including Powell, have expressed disappointment at the lack of inflation progress in the first quarter. Earlier this month, policymakers kept their benchmark policy rate unchanged at a 23-year high, a level Powell said he was prepared to maintain “for as long as appropriate.” Fed officials will get fresh inflation data Wednesday when the government releases the consumer price index for April.

□ The European Central Bank’s next policy meeting may be the right time to start lowering borrowing costs, Governing Council member Klaas Knot said — reinforcing expectations that monetary easing is imminent. The Dutch central-bank chief said Tuesday that he’s increasingly confident that inflation is headed back to the 2% target, noting a “slow but gradual” moderation in euro-zone wage growth. “We will have new projections, and I’m confident again that if they confirm the picture as I just sketched it, that June will be a good opportunity to make a first move in removing restriction,” he told an event in Amsterdam alongside Federal Reserve Chair Jerome Powell. Knot is among more hawkish ECB policymakers urging caution once interest rates start to be reduced. Backing such views are persistence in euro-area salary gains and uncertainty in energy markets caused by the situation in the Middle East. Stronger growth in the euro-zone economy may also make policy easing less urgent. The Fed, too, is an issue. Some reckon several ECB cuts that went unanswered by its US counterpart would stoke inflation by weakening the euro, though others argue that Europe would actually import tighter monetary conditions from across the Atlantic, requiring more rate reductions in Frankfurt. “if you look at the two effects, it’s not so clear which of the two will dominate and it’s therefore also not so clear whether the developments in the US will really have a meaningful impact on the inflation outlook in the euro area,” Knot said. “I don’t think it will change the direction of travel in the euro area that much.”

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 higher for the day, as gold prices are steady after rising almost 1% on Tuesday, before US inflation data that may shed light on the Federal Reserve’s rate path.

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	28.20	28.45	28.70	28.85	29.10	29.35
Gold – MCX	June	71700	71850	72150	72350	72500	72700
Silver – MCX	May	84000	84600	85100	85800	86300	86850

Nirmal Bang Securities - Daily Currency Market Update

Dollar Index

LTP/Close	Change	% Change
105.01	-0.20	-0.19

Bond Yield

10 YR Bonds	LTP	Change
United States	4.4394	-0.0471
Europe	2.5470	0.0380
Japan	0.9530	0.0160
India	7.1070	-0.0090

Emerging Market Currency

Currency	LTP	Change
Brazil Real	5.1294	-0.0217
South Korea Won	1369.15	0.9000
Russia Rubble	91.3342	-0.2541
Chinese Yuan	7.2337	0.0003
Vietnam Dong	25453	1
Mexican Peso	16.8527	0.0478

NSE Currency Market Watch

Currency	LTP	Change
NDF	83.58	-0.01
USDINR	83.555	-0.0025
JPYINR	53.5	-0.0625
GBPINR	104.7975	0.205
EURINR	90.1075	0.0025
USDJPY	156.14	0.59
GBPUSD	1.2575	0.0017
EURUSD	1.0778	0.0008

Market Summary and News

□ Traders in US Treasury options are positioning for a bond rally and sharp drop in yields in the aftermath of crucial inflation data to be released on Wednesday. Heavy buying over the past week has centered on options that would stand to benefit from US 10-year yields dropping to roughly 4.3%, some 15 basis points below where they are now and the lowest in more than a month. One high-risk trade stood out: It would reap a potential \$15 million windfall on a wager of just \$150,000 should the 10-year benchmark fall even further to 4.25% by May 24. The bet on a rally comes as bonds regained some ground following a brutal April, when prices slumped and yields soared to their highs for the year on waning expectations for interest-rate cuts. Since then, Federal Reserve Chair Jerome Powell eased market concerns by talking down the need for rate hikes. Further gains came after a report Friday pointed to a cooling labor market that might open the door to cuts despite sticky inflation. Investors now await the latest data on US consumer prices in April, which will be key in determining whether the rally pushes ahead. On Tuesday, Treasuries advanced after a report delivered what Powell dubbed a "mixed" read on wholesale prices last month. Open interest, or the amount of new positioning, surged recently in options tied to the so-called 110.00 call strike, which pairs with a roughly 4.3% 10-year yield level, according to CME data. Buying was concentrated in the June tenor expiring May 24, capturing this week's big economic news including the reports on producer and consumer prices. Meanwhile, asset managers continued to add to long bets in futures, adding to bullish positions for a fourth week in a row, data from the Commodity Futures Trading Commission shows. Caution is still evident in some parts of the market. Tuesday's JPMorgan Chase & Co.'s client survey showed a slight uptick of short positions in the cash market for Treasuries, marking a shift out of neutral. Notably, the past three consumer price index reports have surprised to the upside, confounding bulls.

□ Indian bonds were slightly higher with inflation little changed in April. States sell 65b rupees of bonds as planned. USD/INR little changed at 83.5112. 10-year yields fell 1bps to 7.11%; 5-year yield little changed at 7.12%. 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 a 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. 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%. India's wholesale prices rose 1.26% on year in April, compared with a gain of 0.53% in the previous month, the Statistics Ministry said in a statement. Nomura says clients generally agreed with its long IGB position during its rates and FX marketing trip in Singapore, it says in note. However, the focus on the ongoing elections was more surprising. Several clients were concerned about the voter turnout leading to a soft result for BJP. The consensus view remains for a BJP win, but with a lower margin, though the tail risk of BJP failing to achieve a majority is potentially very disruptive for the market. A few clients had added some small protection, mainly in the FX market, while others are holding back from adding IGBs for now. There was very little interest in the NDOIS market at this juncture, with most viewing this as a range trade. India to sell 310b rupees of bonds on Friday: RBI.

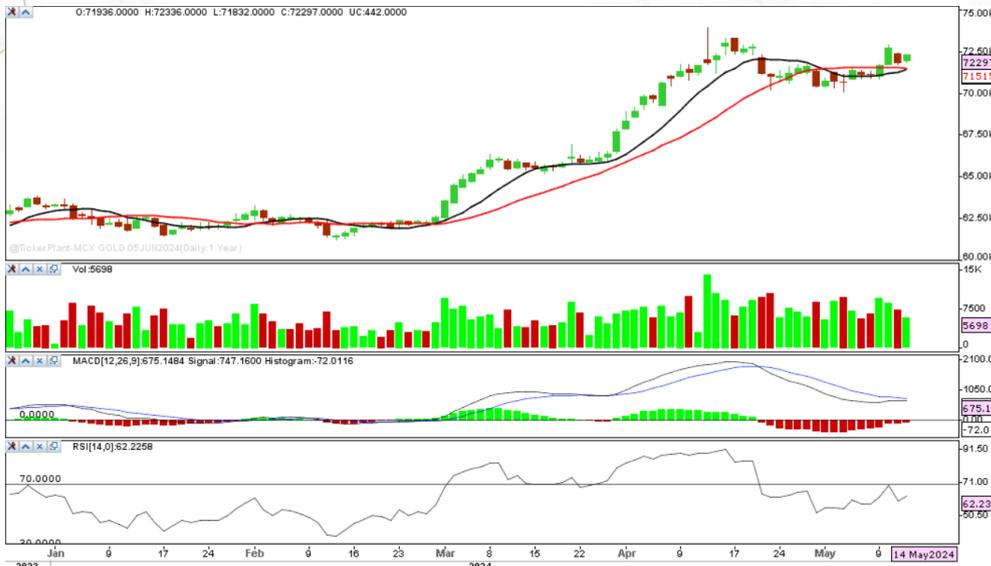
□ Most developing-world currencies rose on Tuesday despite a higher-than-expected increase in US producer prices, with traders now turning their attention to Wednesday's CPI print for direction on the Fed's next steps. An emerging market currency gauge ended the day little changed amid end-of-day adjustments, after gaining during most of the session. US producer price index for final demand increased 0.5% in April from a month earlier, Bureau of Labor Statistics data showed Tuesday. Despite the larger than expected rise, some key categories remained muted, providing some relief to investors. The Colombian peso and the Chilean peso led advances. "Even though carry trade has been compressing, Colombia still has some room in relative terms and that is the main incentive," said José Joaquín Prieto, business head at BTG Pactual. The Chilean currency was boosted by the rally in copper, which reached a fresh two-year high. The rand erased the year's losses and South Africa's benchmark stock index added to gains after closing at the highest level in more than nine months as investors positioned for a market-friendly outcome in the May 29 election. Federal Reserve Chair Jerome Powell said the US central bank needs to be patient as it awaits more evidence that high rates are curbing inflation. The benchmark gauge for emerging market shares rose for a third day to the highest since April 2022. The Hang Seng index fell for the first time in three days as the White House announced increased tariffs on Chinese imports including semiconductors, batteries, solar cells, and critical minerals.

Key Market Levels for the Day

	S3	S2	S1	R1	R2	R3
USDINR Spot	83.4125	83.4650	83.5175	83.6025	83.6550	83.7075

Nirmal Bang Securities - Bullion Technical Market Update

Gold Market Update



Market View	
Open	71936
High	72336
Low	71832
Close	72297
Value Change	442
% Change	0.62
Spread Near-Next	290
Volume (Lots)	5698
Open Interest	12184
Change in OI (%)	-4.02%

Gold - Outlook for the Day

BUY GOLD JUNE (MCX) AT 72150 SL 71850 TARGET 72500/72700

Silver Market Update



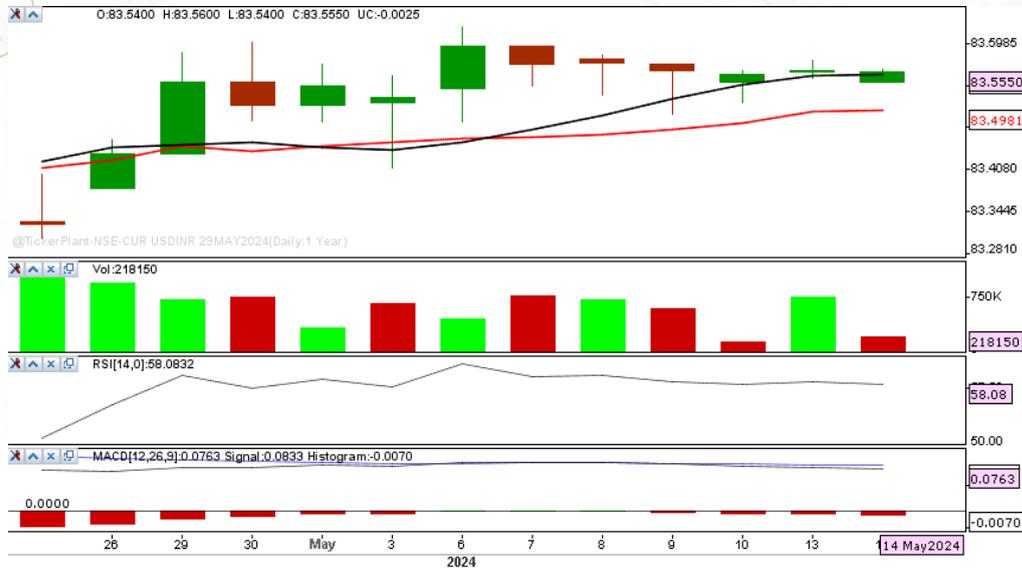
Market View	
Open	85068
High	85750
Low	84796
Close	85417
Value Change	531
% Change	0.63
Spread Near-Next	0
Volume (Lots)	12357
Open Interest	27971
Change in OI (%)	1.55%

Silver - Outlook for the Day

BUY SILVER JULY (MCX) AT 85100 SL 84600 TARGET 85800/86300

Nirmal Bang Securities - Currency Technical Market Update

USDINR Market Update



Market View	
Open	83.54
High	83.56
Low	83.54
Close	83.555
Value Change	-0.0025
% Change	-0.003
Spread Near-Next	0
Volume (Lots)	218150
Open Interest	3080421
Change in OI (%)	-0.42%

USDINR - Outlook for the Day

The USDINR future witnessed a flat opening at 83.54, which was followed by a session where price shows consolidation with positive buyer level with candle closures near high. A small green candle formed by the USDINR price where price having support 10-days moving averages placed at 83.55. The pair has trading in choppy range for last one week. 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	83.3250	83.3825	83.4375	83.5025	83.6525	83.6550

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
Smit Bhayani	Research Analyst	smit.bhayani@nirmalbang.com
Utkarsh Dubey	Currency Research Associate	Utkarsh.dubey@nirmalbang.com

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