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India Bullion and Jewellers Associations Ltd.

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Daily Bullion Physical Market Report

Date: 15th June 2022

Daily India Spot Market Rates

| Description | Purity | AM | PM |
|-------------|--------|-------|-------|
| Gold | 999 | 50725 | 50647 |
| Gold | 995 | 50522 | 50444 |
| Gold | 916 | 46464 | 46393 |
| Gold | 750 | 38044 | 37985 |
| Gold | 585 | 29674 | 29628 |
| Silver | 999 | 60164 | 60881 |

*Rate as exclusive of GST as of 14th June 2022 Gold is Rs/10 Gm & Silver in Rs/Kg

Gold and Silver 999 Watch

| Date | GOLD* | SILVER* |
|----------------------------|-------|---------|
| 14 th June 2022 | 50647 | 60881 |
| 13 th June 2022 | 51435 | 60912 |
| 10 th June 2022 | 50935 | 60881 |
| 9 th June 2022 | 51029 | 61806 |

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

COMEX Futures Watch

| Description | Contract | Close | Change | %Chg |
|---------------|----------|---------|--------|-------|
| Gold(\$/oz) | AUG 22 | 1813.50 | -18.30 | -1.00 |
| Silver(\$/oz) | JULY 22 | 20.95 | -0.30 | -1.42 |

ETF Holdings as on Previous Close

| ETFs | Long | Short |
|----------------|-----------|-------|
| SPDR Gold | 1,063.94 | -4.93 |
| iShares Silver | 16,932.70 | 0.00 |

Gold and Silver Fix

| Description | LTP |
|---------------------------|---------|
| Gold London AM Fix(\$/oz) | 1823.65 |
| Gold London PM Fix(\$/oz) | 1818.30 |
| Silver London Fix(\$/oz) | 21.24 |

Bullion Futures DGCX

| Description | Contract | LTP |
|---------------|-----------|--------|
| Gold(\$/oz) | August 22 | 1809.6 |
| Gold Quanto | August 22 | 50215 |
| Silver(\$/oz) | JULY 22 | 20.97 |

Gold Ratio

| Description | LTP |
|-------------------|-------|
| Gold Silver Ratio | 86.55 |
| Gold Crude Ratio | 15.25 |

Weekly CFTC Positions

| | Long | Short | Net |
|-------------|--------|-------|-------|
| Gold(\$/oz) | 128491 | 58723 | 69768 |
| Silver | 41214 | 33594 | 7620 |

MCX Indices

| Index | Close | Net Change | % Chg |
|---------------------|----------|------------|--------|
| MCX iCOMDEX Bullion | 14309.35 | -148.50 | -1.04% |

Macro-Economic Indicators

| Time | Country | Event | Forecast | Previous | Impact |
|-------------------------------|---------------|----------------------------------|----------|----------|--------|
| 15 th June 06:00PM | United States | Core Retail Sales m/m | 0.7 % | 0.6 % | High |
| 15 th June 06:00PM | United States | Retail Sales m/m | 0.1 % | 0.9 % | High |
| 15 th June 06:00PM | United States | Empire State Manufacturing Index | 2.4 | -11.6 | Medium |
| 15 th June 09:50PM | Europe | ECB President Lagarde Speaks | - | - | Medium |
| 15 th June 11:30PM | United States | Federal Funds Rate | <1.50 % | <1.00 % | High |



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Nirmal Bang Securities - Daily Bullion News and Summary

❖ Gold fell after high producer prices exceeded market expectations, reinforcing concerns of the Federal Reserve's aggressive policy stance to combat stubbornly high inflation. Prices paid to US producers surged in May, underscoring persistent inflationary pressures across the economy, figures showed Tuesday. That added to data released last week showing consumer inflation unexpectedly accelerated to its highest level in four decades. Investors are now increasingly betting that Federal Reserve officials will consider the biggest interest-rate increase since 1994 when they meet this week.

❖ Exchange-traded funds cut 180,908 troy ounces of gold from their holdings in the last trading session, bringing this year's net purchases to 7.1 million ounces, according to data compiled by Bloomberg. The sales were equivalent to \$329.1 million at yesterday's spot price. Total gold held by ETFs rose 7.3 percent this year to 104.9 million ounces. State Street's SPDR Gold Shares, the biggest precious-metals ETF, maintained its holdings in the last session. The fund's total of 34.4 million ounces has a market value of \$62.5 billion. ETFs also cut 1.39 million troy ounces of silver from their holdings in the last trading session, bringing this year's net sales to 27.6 million ounces.

❖ Any European Central Bank response to bond-market panic will depend on the circumstances it's dealing with, Executive Board member Isabel Schnabel said, signaling that a new crisis tool is unlikely to be presented until it's considered necessary. With backstops in place, the risk of so-called fragmentation -- unwarranted increases in the bond yields of indebted euro-area members -- are less likely now than several years ago, said Schnabel, who oversees markets at the ECB. Despite a bond selloff since the officials outlined plans to lift record-low interest rates, Schnabel's remarks reflect an emerging consensus on the Governing Council that there's little to gain from preemptively revealing a new tool. "How we ultimately react to risks of fragmentation will firmly depend on the situation we are facing," the German said Tuesday evening in Paris. "We have shown in the past that we can adapt flexibly and quickly to the specific circumstances." Bloomberg reported in April that ECB staffs are crafting a new instrument to deploy in the event of a blowout in yields of weaker euro-zone economies. So far, it's only allocated reinvestments from earlier asset purchases to address any potential problem.

❖ European Central Bank officials are increasingly determined not to divulge its plans to fight bond-market stress, according to people familiar with the matter. Officials from across the spectrum of the Governing Council are convinced that there are few benefits in preemptively revealing a specific crisis tool and fear it could spur investors to test any measure, the people said, asking not to be identified because the discussions are private. Policy makers have indicated they'd rather wait until a specific threat materializes, in which case there'd be a strong will to act if needed. An ECB spokesperson declined to comment. Klaas Knot, one of the most hawkish members on the Governing Council, underlined the commitment in an interview published Tuesday in the Le Monde newspaper, saying "it's clear that our mandate is to respond" if markets threaten the transmission of monetary policy. Monday saw the yield on Italy's 10-year debt rise above 4% for the first time since 2014, while the spread over the German equivalent is now at its widest since May 2020.

❖ **Fundamental Outlook:** Gold and silver prices are trading lower today on international bourses. We expect precious metals prices on Indian bourses to trade sideways to slightly higher for the day. We recommend buying at dips in gold and silver in intra-day trading sessions in precious metals as gold held near the lowest level in four weeks on growing expectations that the Federal Reserve could deliver a hefty interest-rate increase on Wednesday to contain price pressures.

Key Market Levels for the Day

| Time | Month | S3 | S2 | S1 | R1 | R2 | R3 |
|----------------|-------|-------|-------|-------|-------|-------|-------|
| Gold – COMEX | June | 1780 | 1810 | 1830 | 1855 | 1870 | 1900 |
| Silver – COMEX | July | 21.30 | 21.50 | 21.70 | 22.30 | 22.50 | 22.70 |
| Gold – MCX | June | 48750 | 48900 | 50200 | 50400 | 50600 | 50850 |
| Silver – MCX | July | 58000 | 58700 | 59200 | 60000 | 60600 | 61200 |



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Nirmal Bang Securities - Daily Currency Market Update

Dollar Index

| LTP/Close | Change | % Change |
|-----------|--------|----------|
| 105.52 | 0.44 | 0.42 |

Bond Yield

| 10 YR Bonds | LTP | Change |
|---------------|--------|---------|
| United States | 3.4733 | -0.0559 |
| Europe | 1.7510 | 0.1220 |
| Japan | 0.2490 | -0.0070 |
| India | 7.5810 | -0.0200 |

Emerging Market Currency

| Currency | LTP | Change |
|-----------------|---------|---------|
| Brazil Real | 5.1174 | 0.0014 |
| South Korea Won | 1286.45 | 4.8000 |
| Russia Rubble | 58.4042 | -0.3425 |
| Chinese Yuan | 6.741 | -0.0186 |
| Vietnam Dong | 23215 | 13 |
| Mexican Peso | 20.5872 | -0.034 |

NSE Currency Market Watch

| Currency | LTP | Change |
|----------|---------|---------|
| NDF | 78.25 | 0 |
| USDINR | 78.105 | -0.02 |
| JPYINR | 58.2475 | 0.0675 |
| GBPINR | 94.4875 | -0.795 |
| EURINR | 81.7 | -0.1575 |
| USDJPY | 134.18 | -0.21 |
| GBPUSD | 1.2099 | -0.0098 |
| EURUSD | 1.0456 | -0.0019 |

Market Summary and News

❖ Federal Reserve Chair Jerome Powell is facing an increasingly grim calculus after yet another hot inflation reading last week: He probably has to push the economy into recession in order to regain control of prices. After spending much of last year sounding a bit like the inflation-tolerant, Powell has increasingly taken on the mantle of inflation slayer. It's a role he's likely to embrace with relish on Wednesday, when he speaks with reporters after a widely-expected decision by the Fed to raise interest rates by another half percentage point. But so far at least, he's shied away from endorsing the tough monetary medicine and punishingly deep recession that it took for Volcker to break the back of inflation four decades ago. While Powell has recently acknowledged that getting price pressures under control could require some pain and maybe even higher unemployment, he's steered clear of talking about a recession. That's perhaps understandable, given how fraught politically that is, especially for President Joe Biden's Democratic Party ahead of mid-term elections in November. An increasing number of economists including ex Fed Vice Chair Blinder, say it may take an economic contraction and higher unemployment to bring inflation down to more tolerable levels, much less back to the Fed's 2% price target. Markets are taking note. Bond yields jumped and stock prices tumbled on concern the Fed will slam harder on the policy brakes after news that consumer prices rose at a fresh 40-year high of 8.6% in May from a year earlier. Yields on 10-year US Treasuries touched 3.28% Monday, surpassing a peak in 2018 to trade at the highest since 2011, and interest-rate futures signaled 175 basis points of tightening through September, implying a 75 basis-point increase at one of the next three Fed meetings. The path and ultimate destination of interest rates in coming months will partly depend on how quickly and how far policy makers want inflation to cool and how much pain they're willing to put the economy through to achieve that.

❖ Indian short-end bonds gained, while the longer-end was steady as lower-than-expected retail inflation eased worries of aggressive rate hikes by the RBI. The rupee is trading in a tight range. 10-year yields steady at 7.60%; 4-year yield down 3bps to 7.32%. Retail inflation rose 7.04% in May from a year earlier, a government report showed Monday after market hours. The CPI print has helped ease concerns over aggressive rate hikes by the RBI. The elevated CPI print is unlikely to give any comfort to the central bank. Over the next three meetings (August, October, and December), expectation is that the RBI to make inflation management its key priority, which could include steps to curb aggregate demand. In terms of sequencing, we now expect the RBI to deliver a 35bp rate hike in August, and then raise the policy rate by 25bps to 5.50% in October, while also switching to a neutral stance. Beyond that, we expect the RBI to deliver one more rate hike in December to 5.75%, which now will mark the end of this cycle.

❖ Bank of Japan Governor Haruhiko Kuroda said a recent abrupt weakening of the yen is bad for the economy and pledged to closely work with the government hours after the yen hit the lowest level since 1998. "A recent rapid depreciation of the yen is undesirable and negative for the economy. They increase uncertainties and make it hard for businesses make plans," Kuroda said in response to questions in parliament. The yen is placing Kuroda in an increasingly awkward position ahead of a policy meeting this week as he continues to stick with monetary stimulus until wage growth gains sufficient momentum to support sustainable inflation. At the same time, the depreciation of the currency is fueling concerns among households and businesses as it amplifies the surge in energy and commodity prices. The government and the BOJ stepped up warnings over the yen last week by releasing a first joint statement, prompting some BOJ watchers to flag a chance of adjustments or policy guidance at the conclusion of a BOJ meeting on Friday.

Key Market Levels for the Day

| | S3 | S2 | S1 | R1 | R2 | R3 |
|-------------|---------|---------|---------|---------|---------|---------|
| USDINR Spot | 77.5500 | 77.7500 | 77.8800 | 78.1200 | 78.2800 | 78.4000 |



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Nirmal Bang Securities - Bullion Technical Market Update

Gold Market Update



Market View

| | |
|------------------|--------|
| Open | 50537 |
| High | 50667 |
| Low | 50151 |
| Close | 50195 |
| Value Change | -469 |
| % Change | -0.93 |
| Spread Near-Next | 0 |
| Volume (Lots) | 6593 |
| Open Interest | 13080 |
| Change in OI (%) | -2.78% |

Gold - Outlook for the Day

Gold prices are likely to trade positive for the day; we are expecting the metal to test 1860-1870. Recommending to buy gold between 1820-25 for target 1860-70.

BUY GOLD AUG (MCX) AT 50000 SL 49750 TARGET 50400/50600

Silver Market Update



Market View

| | |
|------------------|-------|
| Open | 60280 |
| High | 60450 |
| Low | 59358 |
| Close | 59501 |
| Value Change | -810 |
| % Change | -1.34 |
| Spread Near-Next | 0 |
| Volume (Lots) | 16124 |
| Open Interest | 15969 |
| Change in OI (%) | 5.82% |

Silver - Outlook for the Day

Silver comparatively not looking so strong but as a white metal we can expect some support around 20.70-80 zone, where one can go long for target 21.00 and trade within range if 20.50-21.00.

BUY SILVER JULY (MCX) AT 59200 SL 58700 TARGET 60000/60500



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Nirmal Bang Securities - Currency Technical Market Update

USDINR Market Update



Market View

| | |
|------------------|---------|
| Open | 78.025 |
| High | 78.17 |
| Low | 78.025 |
| Close | 78.105 |
| Value Change | -0.02 |
| % Change | -0.03 |
| Spread Near-Next | 0 |
| Volume (Lots) | 2079308 |
| Open Interest | 5451815 |
| Change in OI (%) | 2.81% |

USDINR - Outlook for the Day

USDINR witnessed a gap down at 78.02 and recovered from the open to give closure in green at 78.10. USDINR has formed a small green candle with closure in lower lows and highs indicating resistance at higher levels. The pair has given closure above short, medium and long term moving average supporting the positive bias. USDINR, if trades below 78, the momentum will trade on a weaker note towards 77.60. But momentum above 78.15 would lead momentum towards 78.35-78.40. The daily strength indicator RSI and momentum oscillator Stochastic both are in the positive zone indicating supportive for the pair.

Key Market Levels for the Day

| | S3 | S2 | S1 | R1 | R2 | R3 |
|-------------|---------|---------|---------|---------|---------|---------|
| USDINR June | 77.6000 | 77.7500 | 77.8800 | 78.2000 | 78.3300 | 78.5200 |



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