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India Bullion and Jewellers Associations Ltd.

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Daily Bullion Physical Market Report

Date: 16th September 2022

Daily India Spot Market Rates

Description	Purity	AM	PM
Gold	999	49918	49926
Gold	995	49718	49726
Gold	916	45725	45732
Gold	750	37439	37445
Gold	585	29202	29207
Silver	999	56256	56330

*Rate as exclusive of GST as of 15th September 2022 Gold is Rs/10 Gm & Silver in Rs/Kg

Gold and Silver 999 Watch

Date	GOLD*	SILVER*
15th September 2022	49926	56330
14th September 2022	50300	56350
13th September 2022	50676	57270
12th September 2022	50863	55937

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

COMEX Futures Watch

Description	Contract	Close	Change	%Chg
Gold(\$/oz)	DEC 22	1677.30	-31.80	-1.86
Silver(\$/oz)	DEC 22	19.27	-0.30	-1.53

ETF Holdings as on Previous Close

ETFs	Long	Short
SPDR Gold	962.01	1.45
iShares Silver	14,526.90	35.82

Gold and Silver Fix

Description	LTP
Gold London AM Fix(\$/oz)	1689.00
Gold London PM Fix(\$/oz)	1689.10
Silver London Fix(\$/oz)	19.37

Bullion Futures DGCX

Description	Contract	LTP
Gold(\$/oz)	OCT. 22	1661.5
Gold Quanto	OCT. 22	49332
Silver(\$/oz)	DEC. 22	19.15

Gold Ratio

Description	LTP
Gold Silver Ratio	87.05
Gold Crude Ratio	19.71

Weekly CFTC Positions

	Long	Short	Net
Gold(\$/oz)	96271	95054	1217
Silver	33913	58545	-24632

MCX Indices

Index	Close	Net Change	% Chg
MCX iCOMDEX Bullion	13837.53	-180.76	-1.31 %

Macro-Economic Indicators

Time	Country	Event	Forecast	Previous	Impact
16 th September 07:30pm	United States	Prelim UoM Consumer Sentiment	60.0	58.2	High



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Nirmal Bang Securities - Daily Bullion News and Summary

❖ Gold fell to the lowest since April 2020 amid expectations of more aggressive interest-rate hikes by the Federal Reserve despite a fresh round of mixed US data. Applications for US unemployment insurance fell for a fifth straight week, suggesting demand for workers remains healthy despite an uncertain economic outlook. Retail sales unexpectedly rose in August, but the prior month's number was revised sharply lower. Factory production rose slightly in August while total industrial production, including mining and utilities, fell. The reports come on the heels of US consumer and producer price indexes earlier this week that showed inflationary pressure in the economy. The print prompted investors to fully price in a 75 basis point rate hike from the US central bank at its September meeting next week, while some are even predicting a full percentage point increase.

❖ The Federal Reserve may have to eventually raise rates above 4.3% to control inflation, Former Treasury Secretary Lawrence Summers said Thursday. Speaking at an event at the Harvard Kennedy School, Summers said that markets, which once reflected expectations for the Fed's benchmark rate to climb to 3%, now see policy makers going above 4.3%. "My guess is that if they want to securely control inflation, they're going have to raise rates further than that," said Summers, who's now a Harvard University professor and paid contributor to Bloomberg Television. "But that's not a decision they need to make right now." Summers had said on Tuesday that if there were a choice between a 50 basis-point move and a 100 basis-point one at the Sept. 20-21 policy meeting, the Fed should choose "a 100 basis-points move to reinforce credibility." At the event, moderated by Linda Henry, managing director of Boston Globe Media Partners, Summers said, "it was very clear that doing 75 basis points, which is what the Fed has now said it's going to do next week, is better than doing only 50 basis points. And I'm sure they're going have to continue to raise interest rates."

❖ Federal Reserve officials could find reasons for raising rates by a full percentage point next week if they decide to look hard enough, though the base case still looks like 75 basis points. While most economists see the smaller -- but still aggressive -- hike as the most likely outcome of the central bank's Sept. 20-21 meeting, a blockbuster move is not a zero risk in the aftermath of a hot reading on August core consumer inflation. Investors ascribe around 24% odds it could happen, according to pricing in interest-rate futures, and some Fed watchers view the probability as higher. Federal Reserve officials could find reasons for raising rates by a full percentage point next week if they decide to look hard enough, though the base case still looks like 75 basis points. While most economists see the smaller -- but still aggressive -- hike as the most likely outcome of the central bank's Sept. 20-21 meeting, a blockbuster move is not a zero risk in the aftermath of a hot reading on August core consumer inflation. Investors ascribe around 24% odds it could happen, according to pricing in interest-rate futures, and some Fed watchers view the probability as higher.

❖ US factory production rose slightly in August as resilient business investment more than offset a pullback in the output of consumer goods, consistent with steady manufacturing activity. The 0.1% increase in manufacturing output last month followed an auto-fueled 0.6% July increase, Federal Reserve data showed Thursday. Including mining and utilities, total industrial production fell 0.2% in August. The median forecast in a Bloomberg survey of economists called for a 0.1% decline in factory output and no change in total industrial production. While domestic demand is generally holding up, manufacturers face a number of headwinds including a shift in consumer behavior toward services and away from goods. That change in preferences caught some retailers flat-footed, leading to an inventory overhang and canceled orders that are further weighing on production. Foreign demand is at risk of softening at well, as an energy crisis grips Europe, China's economy cools and a surge in the value of dollar raises the costs of US goods for overseas customers.

❖ US import prices fell for a second straight month in August, offering one source of relief from inflationary pressures, with a strengthening dollar helping to cut the cost of products made abroad. Prices of imported goods dropped 1% in August from July, marking the first consecutive monthly retreat since the pandemic began in spring 2020. Excluding petroleum, prices dipped 0.2% from July, a Labor Department report showed in Washington Thursday. August saw the fourth straight monthly drop in core import prices, a turnabout that in part reflects US currency appreciation. The Bloomberg Dollar Spot Index has soared 11% so far this year, and reached a record high in early September -- an advance that makes goods priced in foreign currencies less costly. "Lower August prices for foods, feeds, and beverages; nonfuel industrial supplies and materials; and automotive vehicles more than offset higher consumer goods prices," the Labor Department said in its report. Federal Reserve Chair Jerome Powell has noted that a strengthening dollar is one channel through which monetary policy works. Investors have flocked to the greenback as they marked up expectations for interest rates in the US relative to other countries.

❖ European Central Bank Vice President Luis de Guindos urged "determined action" to combat record inflation, maintaining officials' calls for further increases in interest rates after last week's historic hike. While conceding that soaring energy costs are the main cause of the spike in consumer prices, and that the 19-member euro zone -- tipped by some economists to slip into a recession -- faces a "challenging outlook," Guindos said demand is also playing a role. "It is true that we are not in a classic demand-driven overheating episode, and that energy remains the dominant driver of rising inflation," Guindos said Thursday. "But at the current low level of interest rates, monetary policy is still accommodative, thus supporting demand and ultimately also contributing to price pressures." "Determined action is essential to keep inflation expectations anchored, which in itself contributes to delivering price stability and avoids second-round effects in inflation," he said in a speech in Lisbon. The ECB is battling inflation that's nearing five times its 2% target, while also bracing for a weaker economy during the winter after Russia slashed natural gas deliveries in protest at sanctions over its war in Ukraine. Right now, curbing prices is taking priority, with the Federal Reserve's aggressive hikes in the US reinforcing the hawkish approach. The ECB said last week that it expects to boost rates further "to dampen demand."

❖ **Fundamental Outlook:** Gold and silver prices are trading lower on international bourses. We expect precious metals prices on Indian bourses to trade sideways to slightly lower for the day. We recommend sell on rise in gold and silver in intra-day trading sessions as economic data from the US increased the likelihood of prolonged monetary tightening and stoked fears of recession.

Key Market Levels for the Day

Time	Month	S3	S2	S1	R1	R2	R3
Gold – COMEX	December	1650	1675	1695	1725	1755	1780
Silver – COMEX	December	18.25	18.45	18.70	18.95	19.20	19.50
Gold – MCX	October	48750	49000	49200	49400	49600	49800
Silver – MCX	December	54800	55500	56100	56650	57200	57650



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Nirmal Bang Securities - Daily Currency Market Update

Dollar Index

LTP/Close	Change	% Change
109.74	0.08	0.07

Bond Yield

10 YR Bonds	LTP	Change
United States	3.4489	0.0039
Europe	1.7660	0.0530
Japan	0.2590	-0.0050
India	7.2000	0.0780

Emerging Market Currency

Currency	LTP	Change
Brazil Real	5.2472	0.0832
South Korea Won	1394	2.4500
Russia Rubble	60.1834	-0.3942
Chinese Yuan	6.9946	0.0216
Vietnam Dong	23618	16
Mexican Peso	20.0711	0.0169

NSE Currency Market Watch

Currency	LTP	Change
NDF	80.06	0
USDINR	79.8625	0.2625
JPYINR	55.8125	0.13
GBPINR	91.98	-0.04
EURINR	79.7725	0.085
USDJPY	143.19	0.15
GBPUSD	1.1516	-0.0038
EURUSD	0.9991	-0.0022

Market Summary and News

❖ China's central bank drained liquidity from the banking system for a second straight month while leaving rates unchanged as it sought to ease pressure on the yuan from a widening policy divergence with the Federal Reserve. The People's Bank of China offered 400 billion yuan (\$58 billion) via its medium-term lending facility. That would result in a net withdrawal of 200 billion yuan in September. The rate was held at 2.75% after being lowered by 10 basis points in August. PBOC caution on easing comes amid heightened concerns over capital outflows after US inflation data renewed bets for a large Fed hike this month. It also follows data that showed a slow recovery in China's credit growth last month, which may have reduced the urgency for back-to-back rate cut while the impact of other measures to support the economy take effect. Jitters over a diverging monetary policy with the US have already put the yuan on track for its worst annual loss since 1994. The PBOC set a string of stronger-than-expected yuan fixings and reduced banks' foreign-currency reserve requirement to support the currency. The yuan still remains within striking distance of a two-year low touched last week.

❖ Japan's trade deficit ballooned to a record in August that highlights the increasing pain of the weak yen as import costs spiral upwards, adding to pressure on the country's economic recovery. The unadjusted trade deficit expanded to 2.82 trillion yen (\$19.7 billion) last month, the finance ministry reported Thursday. Imports rose 49.9% in value from a year ago, reaching a record, and led by crude oil, coal, and liquid natural gas. Exports increased around half that rate, helped by a continued recovery in car shipments. Compared to the month before, moves were a lot more subdued, as exports fell 0.7% while imports gained 1.5%. The record trade gap adds to concerns over the strength of Japan's economic recovery, as higher import bills for energy and food can cool consumption. A weaker yen fuels the deficit by making inbound shipments more expensive, and paying for those goods in yen also reinforces downward pressure on the Japanese currency. The impact of rising import costs on consumers is closely watched by officials, as Japan's economy recovered its pre-pandemic size earlier this year largely thanks to a rebound in domestic consumer spending. The weak yen's impact is different for companies and households. It helps companies with exports and boost their overseas sales in dollars, while households see their real incomes fall. Looking ahead, we expect the trade deficit to expand again in September. The yen's plunge will likely inflate the import bill, while weaker global demand limits export growth.

❖ The pound slipped against the dollar and euro with focus turning to next week's Bank of England decision. Demand for one-week sterling-dollar downside protection covering the BOE meeting is around the least since before the Feb. decision, perhaps reflecting the drop in spot. Cable one-week implied volatility touches 14.5%, a level unseen since Sept. 9, when the meeting was delayed. Things are not looking good economically, the necessary rate hikes make it even more difficult for the economy. That might prevent the BOE from making a truly very hawkish statement next week. That would be required to convince the market that the BOE remains on a tightening course though, which would benefit sterling. Everything all told the conditions for sterling therefore remain difficult. Even if a lot of negative news has already been priced in short-term corrections would remain limited.

Key Market Levels for the Day

	S3	S2	S1	R1	R2	R3
USDINR Spot	79.2000	79.4000	79.5500	79.8800	79.9500	80.1000



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Nirmal Bang Securities - Bullion Technical Market Update

Gold Market Update



Market View	
Open	49942
High	49942
Low	49170
Close	49312
Value Change	-706
% Change	-1.41
Spread Near-Next	2989
Volume (Lots)	8698
Open Interest	10238
Change in OI (%)	3.56%

Gold - Outlook for the Day

Gold prices seen sharp fall yesterday, breached the important levels of \$ 1685-90 and settled down to \$ 1660. Currently it seems that the prices are trading volatile try to buy with lower levels for target \$ 1680-90.

SELL GOLD OCT (MCX) AT 49600 SL 49800 TARGET 49300/49000

Silver Market Update



Market View	
Open	56890
High	57210
Low	56138
Close	56417
Value Change	-569
% Change	-1
Spread Near-Next	3583
Volume (Lots)	20182
Open Interest	18884
Change in OI (%)	4.76%

Silver - Outlook for the Day

Silver comparatively looks strong seems that the metal is supportive around \$ 18.80-90, where we can initiate long for target of \$ 19.40-50.

SELL SILVER DEC (MCX) AT 56650 SL 57250 TARGET 55500/55200



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Nirmal Bang Securities - Currency Technical Market Update

USDINR Market Update



Market View	
Open	79.51
High	79.9075
Low	79.355
Close	79.8625
Value Change	0.2625
% Change	0.33
Spread Near-Next	0.2125
Volume (Lots)	2696609
Open Interest	2998372
Change in OI (%)	-2.85%

USDINR - Outlook for the Day

USDINR witnessed a weak open at 79.51 and tested lows of 79.35 in the first half of the session. The second half witnessed reversal from the lows, taking the pair towards the high of 79.90 with closure near the same. USDINR has formed a long green candle indicating strong positive bias. The pair has given closure above the short, medium and long term SMA on the daily chart supporting the bullish bias. USDINR, if trades below 79.75, pair will head towards 79.50 – 79.25. Whereas, momentum above 79.95; will lead the pair to test the highs of 80.25. The daily strength indicator RSI and momentum oscillator Stochastic both are in negative zone with crossing their respective signal line thus indicating weakness.

Key Market Levels for the Day

	S3	S2	S1	R1	R2	R3
USDINR September	79.3400	79.5800	79.7000	79.9800	80.1500	80.3000



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