

Daily Bullion Physical Market Report

Date: 16th November 2023

Daily India Spot Market Rates

Description	Purity	AM	PM
Gold	999	60502	60618
Gold	995	60260	60375
Gold	916	55420	55526
Gold	750	45377	45464
Gold	585	35394	35462
Silver	999	71822	72220

Rate as exclusive of GST as of 15th November 2023 Gold is Rs/10 Gm & Silver in Rs/Kg

Gold and Silver 999 Watch

Date	GOLD*	SILVER*
15 th November 2023	60618	72220
14 th November 2023	60071	69951
13 th November 2023	59982	69400
10 th November 2023	60240	70416

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

COMEX Futures Watch

Description	Contract	Close	Change	%Chg
Gold(\$/oz)	Dec 23	1964.30	-2.20	-0.11
Silver(\$/oz)	Dec 23	23.54	0.41	1.76

ETF Holdings as on Previous Close

ETFs	In Tonnes	Net Change
SPDR Gold	870.45	0.00
iShares Silver	13,733.67	0.00

Gold and Silver Fix

Description	LTP
Gold London AM Fix(\$/oz)	1973.40
Gold London PM Fix(\$/oz)	1958.20
Silver London Fix(\$/oz)	23.41

Bullion Futures DGCX

Description	Contract	LTP
Gold(\$/oz)	DEC. 23	1964.7
Gold Quanto	DEC. 23	60131
Silver(\$/oz)	DEC. 23	23.54

Gold Ratio

Description	LTP
Gold Silver Ratio	83.45
Gold Crude Ratio	25.62

Weekly CFTC Positions

	Long	Short	Net
Gold(\$/oz)	160609	55373	105236
Silver	27193	24962	2231

MCX Indices

Index	Close	Net Change	% Chg
MCX iCOMDEX Bullion	15788.93	48.99	0.31 %

Macro-Economic Indicators

Time	Country	Event	Forecast	Previous	Impact
16th November 04:30 PM	United States	FOMC Member Cook Speaks	-	-	Low
16th November 05:40 PM	United States	FOMC Member Barr Speaks	-	-	Low
16th November 07:00 PM	United States	Unemployment Claims	221K	217K	High
16th November 07:00 PM	United States	Philly Fed Manufacturing Index	-10.4	-9.0	Medium
16th November 07:45 PM	United States	Industrial Production m/m	-0.4%	0.3%	Medium
16th November 07:55 PM	United States	FOMC Member Williams Speaks	-	-	-
16th November 09:00 PM	United States	FOMC Member Waller Speaks	-	-	Low
16th November 09:05 PM	United States	FOMC Member Barr Speaks	-	-	Low

Nirmal Bang Securities - Daily Bullion News and Summary

❖ Gold erased gains yesterday as investors assessed the latest data on retail sales and inflation for clues on the Federal Reserve's interest-rate path. American retail sales fell 0.1% in October, a smaller decline than economists had forecast. The data pointed to more resilient consumer spending that may make inflation more difficult to curb. Bullion erased an earlier rise to a one-week high but remains significantly higher so far this week after getting a boost from an unexpectedly cool inflation print on Tuesday. The data paints a mixed picture for the Fed as it considers whether to hike interest rates again to ensure inflation returns to target. Other statistics on Wednesday showed US producer prices falling by the most since April 2020 last month, which was largely reflective of a drop in the cost of gasoline.

❖ Shut out of London following the invasion of Ukraine, Russian gold trading switched to Dubai. Now it's shifting again, to the bullion hub of Hong Kong. The city has long been a key conduit for bullion entering the Chinese mainland — the world's biggest consumer market — but since April, Russian shipments surged. Hong Kong imported 68 tons of Russian gold this year, four times as much as the whole of 2022. The shift to Hong Kong was driven by US sanctions on Russia's top gold miners, as well as a crackdown by the United Arab Emirates on illicit activities in its bullion market, according to people familiar with the matter. The move east underlines the challenge faced by the West in curbing resource flows that fund the Kremlin's war machine. Before the invasion of Ukraine, almost all the gold exported from Russia — the world's second-largest miner — was shipped to vaults in London, the center of the global bullion trade. But the Kremlin's attack made Russian gold taboo in the mainstream industry, even before a formal ban blocked imports to the Group of Seven Nations and European Union. When Russian gold was locked out of London, Dubai — a key transit hub for bullion being shipped to Middle East and Asian markets — was the initial beneficiary. The UAE maintained its neutral stance this year, refusing to take formal measures against Russian gold despite lobbying by the US and UK, people familiar with the discussions said. Russia shipped 96.4 tons of bullion to the UAE in 2022, making it the country's largest supplier. That was more than five times the volume exported through Hong Kong.

❖ Exchange-traded funds added 63,842 troy ounces of gold to their holdings in the last trading session, bringing this year's net sales to 6.68 ounces, according to data compiled by Bloomberg. The purchases were equivalent to \$125.4 at yesterday's spot price. Total gold held by ETFs fell 7.1 percent this year to 87.1 ounces. Gold advanced 7.7 percent this year to \$1,964.29 an ounce and by 0.9 percent in the latest session. State street's SPDR Gold Shares, the biggest precious-metals ETF, maintained its holdings in the last session. The fund's total of 28 ounces has a market value of \$55. ETFs cut 28,262 troy ounces of silver from their holdings in the last trading session, bringing this year's net sales to 40.4 ounces.

❖ Bonds from emerging Asian nations are set to lag global peers despite a rally in Treasuries. That's because a 30-day correlation of emerging Asia bonds to Treasuries show the two asset classes are detached, while the same gauge for Latin American bonds and US debt show the two are more in lockstep. That puts Latin American bonds in the lead, especially as expectations of Federal Reserve unwinding its policy tightening take hold and fuel further gains in Treasuries. Hawkish rhetoric from emerging Asian central banks, excluding China, is also weighing on their bonds. On the other hand, LatAm bonds benefit as their central banks continue to ease policy. "While Asian bond yields will mimic moves in Treasuries, a pivot from emerging Asia central banks ahead of the Fed is still an unlikely proposition," said Sanjay Mathur, an economist with Australia & New Zealand Banking Group Ltd. "At a minimum, we need clear communication from the Fed that its next move will be a 'cut' before regional central banks begin easing." Emerging Asian bonds have historically had a lower sensitivity to Treasuries as they have better creditworthiness and a lower political risk premium compared with other EM peers. Even so, this quarter has seen emerging Asia bonds turn increasingly detached from US debt. The 30-day correlation between Asian bonds and Treasuries has fallen to 0.01 as of Tuesday from 0.10 at the start of October. The same gauge for LatAm bonds rose to 0.58 from 0.52 over the same period. Favoring LatAm bonds has been a collective 450-basis-point of rate cuts by the region's central banks in the second half of the year. In contrast, emerging Asian central banks apart from China have hiked rates by 100 basis points since end-June. Despite policy easing, LatAm bonds offer better returns as their benchmark rates are on average around 500 basis points above the Fed fund rate. The same gauge for emerging Asia stands at a discount of 120 basis points.

Fundamental Outlook: Gold and silver prices are trading mix today on the international bourses. We expect gold and silver prices to trade range-bound to slightly higher for the day; as gold prices are steady after a modest decline on Wednesday as US data pointed to signs of resilience in the US economy that could affect the Federal Reserve's rate path.

Key Market Levels for the Day

Time	Month	S3	S2	S1	R1	R2	R3
Gold – COMEX	Dec	1928	1645	1960	1973	1988	2000
Silver – COMEX	Dec	22.85	23.05	23.30	23.45	23.65	23.80
Gold – MCX	Dec	59400	59700	59900	60100	60300	60500
Silver – MCX	Dec	70300	71000	71800	72300	72850	73200

Nirmal Bang Securities - Daily Currency Market Update

Dollar Index

LTP/Close	Change	% Change
104.39	0.34	0.33

Bond Yield

10 YR Bonds	LTP	Change
United States	4.5314	0.0841
Europe	2.6420	0.0430
Japan	0.8020	-0.0600
India	7.2200	-0.0610

Emerging Market Currency

Currency	LTP	Change
Brazil Real	4.8649	-0.0454
South Korea Won	1300.75	-28.2000
Russia Rubble	89.5096	-1.0971
Chinese Yuan	7.2468	-0.006
Vietnam Dong	24297	-71
Mexican Peso	17.2968	-0.0478

NSE Currency Market Watch

Currency	LTP	Change
NDF	83.22	0.02
USDINR	83.12	-0.2
JPYINR	55.415	0.3175
GBPINR	103.565	1.49
EURINR	90.28	1.1525
USDJPY	149.98	-1.21
GBPUSD	1.2457	0.0216
EURUSD	1.0868	0.018

Market Summary and News

❖ The blowout in India's trade deficit in October is unlikely to fuel rupee weakness. The jump in imports, driven by stronger festive demand for gold and other goods, suggests the economy is recovering faster than we thought. The deficit is likely to remain wider than usual near term. But the stronger growth underpinning it should translate into higher capital inflows — supporting the rupee and limiting downward pressure on foreign-exchange reserves. The merchandise trade deficit vaulted to a record \$31.5 billion in October from \$19.4 billion in September. This exceeded the consensus estimate for a deficit of \$20.4 billion and our forecast of \$20.7 billion. Imports rose to an all-time high of \$65.0 billion from \$53.8 billion in September, with a surge across categories — gold, crude and other imports. Exports declined to \$33.6 billion from \$34.4 billion in September. This reflected a fall in petroleum product exports and a seasonal drop in shipments of other items. The rupee weakened marginally against the dollar after the data release, but mostly recovered by the close. We expect the currency to remain fairly stable, fluctuating around the current level of 83.1 per dollar through March 2024. In the near term, the combination of strong capital account inflows and health services exports should continue to support India's currency. Over the medium term, we expect the current account deficit to shrink due to import substitution and a pickup in exports. Looking ahead, a global slowdown poses downside risks to India's export outlook in the near term. But we remain positive on the medium term as the country is poised to increase its share in global exports over time. Domestic manufacturing activity has been gathering momentum in recent months and new investments are likely to see further gains ahead. This suggests that intermediate goods imports could remain elevated in the near term and sustain a wider trade deficit. Government efforts to boost the manufacturing sector are starting to lift domestic production and exports of electronics, engineering and defense goods. This suggests that over the medium term, India should be able to raise its share in global exports.

❖ The US dollar eked out a gain after data on retail sales and producer prices hinted at a soft landing for the US economy. The pound lagged its peers following a soft UK inflation print. The Bloomberg Dollar Spot Index is up 0.2% on the day in mixed trade; index holds above its 100-DMA. US 10-year yield rose 9 basis points to 4.54%. An index of 3-mo. currency volatility slipped to a fresh 19-month low of 7.01%. Federal Reserve's policies are proving effective, Mary Daly president of the Federal Reserve Bank of San Francisco, tells the Financial Times. The US President Joe Biden and Chinese counterpart Xi Jinping kicked off their first meeting in more than a year on Wednesday with hopes of repairing a relationship strained by economic competition and military and diplomatic missteps. GBP/USD drops 0.7% to 1.2412; the pound was weighed down by a report UK inflation tumbled to the lowest level in two years. EUR/USD slips 0.3% to 1.0845; pair set a session low of 1.0832 following the US economic data. Germany's top court struck down a key element of the government's funding plans to address climate change and transform the economy. The European Central Bank wants finance executives to know they'll be held to account for the industry's continued failure to adequately manage climate and environmental risks. Scandinavian currencies lead G-10 gainers with the Norwegian krone rising 0.8%; WTI oil slipped 1.2% as US stockpiles surge. USD/JPY rises 0.7% to 151.38 amid higher Treasury yields; eyes 151.95, the 2022 high, on further gains. EUR/JPY hits 163.99, the highest since August 2008. Japan's economy slipped back into reverse over the summer, underscoring the fragility of the country's recovery and backing the case for continued support from the Bank of Japan and the government. USD/CAD fell 0.1% to 1.3684 after a report of higher-than-expected Canadian manufacturing sales in September. AUD/USD is little changed at 0.6506 after a solid bout of interbank activity; NZD/USD rises 0.3% to 0.6025, paring gains after rising to its highest since Oct. 11. New Zealand is experiencing a record inflow of migrants, adding to risks that inflation will remain sticky. Net immigration rose to a record 118,835 in the year ended September, according to Statistics New Zealand.

Key Market Levels for the Day

	S3	S2	S1	R1	R2	R3
USDINR Spot	82.9025	83.0075	82.0855	83.2575	83.3550	83.4575

Nirmal Bang Securities - Bullion Technical Market Update

Gold Market Update



Market View	
Open	60166
High	60444
Low	60015
Close	60111
Value Change	46
% Change	0.07
Spread Near-Next	446
Volume (Lots)	4948
Open Interest	9470
Change in OI (%)	-6.91%

Gold - Outlook for the Day

BUY GOLD DEC (MCX) AT 59900 SL 59700 TARGET 60200/60400

Silver Market Update



Market View	
Open	71794
High	72723
Low	71721
Close	72372
Value Change	779
% Change	1.04
Spread Near-Next	1553
Volume (Lots)	25818
Open Interest	18242
Change in OI (%)	-1.98%

Silver - Outlook for the Day

BUY SILVER DEC (MCX) AT 71800 SL 71000 TARGET 72800/73200

Nirmal Bang Securities - Currency Technical Market Update

USDINR Market Update



Market View	
Open	83.09
High	83.1975
Low	83.0175
Close	83.12
Value Change	-0.2
% Change	-0.24
Spread Near-Next	0.1128
Volume (Lots)	3264867
Open Interest	5228166
Change in OI (%)	-8.10%

USDINR - Outlook for the Day

The USDINR future witnessed a gap-down opening at 83.09, which was followed by a session that showed minimal buying from lower level with candle closures open. A long green candle formed by the USDINR price closed below short-term moving averages placed. On the daily chart, the momentum indicator RSI break 50 level while MACD has made a negative crossover above the zero-line. We are anticipating that the price of USDINR futures will fluctuate today between 83.05 and 83.28.

Key Market Levels for the Day

	S3	S2	S1	R1	R2	R3
USDINR November	82.8525	82.9275	83.0275	83.2125	83.3125	83.4275

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