



Daily Bullion Physical Market Report

Date: 17th June 2022

Daily India Spot Market Rates

Description	Purity	AM	PM
Gold	999	50861	50614
Gold	995	50657	50411
Gold	916	46589	46362
Gold	750	38146	37961
Gold	585	29754	29609
Silver	999	61074	60550

*Rate as exclusive of GST as of 16th June 2022 Gold is Rs/10 Gm & Silver in Rs/Kg

Gold and Silver 999 Watch

Date	GOLD*	SILVER*
16 th June 2022	50614	60550
15 th June 2022	50954	60750
14 th June 2022	50647	60881
13 th June 2022	51435	60912

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

COMEX Futures Watch

Description	Contract	Close	Change	%Chg
Gold(\$/oz)	AUG 22	1849.90	30.30	1.67
Silver(\$/oz)	SEPT 22	21.98	0.47	2.20

ETF Holdings as on Previous Close

ETFs	Long	Short
SPDR Gold	1,063.94	0.00
iShares Silver	16,967.14	34.43

Gold and Silver Fix

Description	LTP
Gold London AM Fix(\$/oz)	1831.55
Gold London PM Fix(\$/oz)	1826.50
Silver London Fix(\$/oz)	21.44

Bullion Futures DGCX

Description	Contract	LTP
Gold(\$/oz)	August 22	1854.6
Gold Quanto	August 22	51006
Silver(\$/oz)	JULY 22	21.94

Gold Ratio

Description	LTP
Gold Silver Ratio	84.18
Gold Crude Ratio	15.73

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	14287.25	166.09	1.16%

Macro-Economic Indicators

Time	Country	Event	Forecast	Previous	Impact
17 th June 06:15PM	United States	Fed Chair Powell Speaks	-	-	High
17 th June 06:45PM	United States	Capacity Utilization Rate	79.2 %	79.0 %	Low
17 th June 06:45PM	United States	Industrial Production m/m	0.4 %	1.1 %	Low
17 th June 07:30PM	United States	CB Leading Index m/m	-0.4 %	-0.3 %	Low



Nirmal Bang Securities - Daily Bullion News and Summary

❖ Gold held much of its biggest gain in more than three months as shifting expectations on the speed of Federal Reserve tightening helps the precious metal rediscover its role as the ultimate haven asset. The resilience of bullion as the Fed races to tame rampant inflation is in sharp contrast to the slump in stocks, bonds and crypto markets. The central bank's biggest interest-rate increase since 1994 raises the prospect of a US recession, joining other risks such as Russia's war in Ukraine and surging borrowing costs in Europe that serve to remind investors of gold's appeal. What makes gold's current strength surprising is that it usually tracks the US central bank intently. Bullion prices tend to enjoy periods of low rates that compress returns in other safe assets like Treasuries, while coming under pressure as the Fed tightens policy. So far that is yet to happen, which suggests gold doubts the Fed's ability to control inflation without seriously harming the global economy.

❖ The SPDR Gold Shares ETF (GLD) dominates on every conceivable liquidity metric when compared with peers. The fund commands global exchange volume, while dwarfing competitors with a more robust options-and-borrow market. All of this while still being a relatively tiny fish in the multitrillion-dollar ocean of global gold trading. The SPDR Gold Shares (GLD) has been the leading gold ETF based on trading volume since its inception in 2004 and continues to overshadow peers. The ETF has averaged over \$2 billion of trading a day in 2022 and vastly eclipses its peers, but they're slowly gaining ground. IAU, represented by the orange in the graph, is slowly increasing share, likely due to its cheaper price. But SPDR's newest launch of GLDM, a miniature version of GLD, has also begun to cut into GLD's trading market share. Despite these contenders, it will likely be many years before GLD is meaningfully affected by competing ETFs' volume growth. Even if other ETFs continue to manage to eat away at GLD's trading dominance -- in times of volatility and crisis the biggest traders appear more likely to flock to GLD vs. competitors for the foreseeable future.

❖ European Central Bank President Christine Lagarde told euro-area finance ministers that the ECB's new anti-crisis tool will kick in if the borrowing costs for weaker nation rise too far or too fast, according to people briefed on their discussions. At a meeting in Luxembourg Thursday, Lagarde explained to ministers that the new mechanism that central bank officials are devising is intended to prevent irrational market movements from putting pressure on individual euro nations as ECB embarks on its first interest-rate hikes in more than a decade, the people said, asking not to be identified discussing private conversations. The euro rose 1.2% to \$1.0580, its highest level of the session, on the news. She said the instrument may be triggered if bond spreads widen beyond certain thresholds or if market movements exceed a certain speed. Lagarde did not specify whether those limits would be made public. The ECB Governing Council on Wednesday instructed officials to accelerate work on a "new anti-fragmentation instrument" after the yield on Italian bonds surged amid signs that global inflation is becoming more entrenched. Lagarde last week set out the ECB's plans for a 25 basis-point increase in rates next month, the bank's first hike since 2011, and signaled that a larger move is likely at its next meeting in September.

❖ The Bank of England raised interest rates for a fifth straight meeting and sent its strongest signal yet that it's prepared to unleash larger moves if needed to tame inflation. The nine-member Monetary Policy Committee voted 6-3 to increase the benchmark lending rate by 25 basis points to 1.25%. A minority of officials maintained their push for a move of double that size. Policy makers led by Governor Andrew Bailey hinted that they may join a growing global trend for larger hikes if inflation continues to soar, saying "it would be particularly alert to indications of more persistent inflationary pressures, and would if necessary act forcefully in response." Crucially, that language was endorsed by all the BOE's voters, a departure from May when two declined to sign up to guidance that more hikes were needed. The bank also raised its forecast for the peak of inflation this year to "slightly above" 11%, reflecting the planned increase in the energy price cap in October, and said it now expects the economy to contract in the current quarter.

❖ Exchange-traded funds cut 851 troy ounces of gold from their holdings in the last trading session, bringing this year's net purchases to 6.9 million ounces, according to data compiled by Bloomberg. This was the third straight day of declines. The sales were equivalent to \$1.56 million at yesterday's spot price. Total gold held by ETFs rose 7.1 percent this year to 104.7 million ounces, the lowest level since March 21. State Street's SPDR Gold Shares, the biggest precious-metals ETF, maintained its holdings in the last session. ETFs also cut 398,677 troy ounces of silver from their holdings in the last trading session, bringing this year's net sales to 28.6 million ounces. This was the fourth straight day of declines.

❖ **Fundamental Outlook:** Gold and silver prices are trading slightly lower today on international bourses. We expect precious metals prices on Indian bourses to trade higher for the day. We recommend buying at dips in gold and silver in intra-day trading sessions as traders weigh the impact of tighter monetary policy on global growth. While higher rates will damp the appeal of non-interest bearing bullion, deepening fears over an economic slowdown driven by rampant inflation have supported demand for the haven asset.

Key Market Levels for the Day

Time	Month	S3	S2	S1	R1	R2	R3
Gold – COMEX	August	1780	1810	1830	1855	1870	1900
Silver – COMEX	September	21.30	21.50	21.70	22.30	22.50	22.70
Gold – MCX	August	50300	50600	50800	51100	51250	51450
Silver – MCX	July	59700	60300	61000	61700	62220	62750



Nirmal Bang Securities - Daily Currency Market Update

Dollar Index

LTP/Close	Change	% Change
103.63	-1.53	-1.45

Bond Yield

10 YR Bonds	LTP	Change
United States	3.1952	0.0188
Europe	1.7100	0.0710
Japan	0.2590	0.0080
India	7.6170	0.0280

Emerging Market Currency

Currency	LTP	Change
Brazil Real	5.0552	-0.0622
South Korea Won	1286.25	3.1000
Russia Rubble	57.3607	1.0097
Chinese Yuan	6.7044	0.0013
Vietnam Dong	23200	0
Mexican Peso	20.4085	0.0095

NSE Currency Market Watch

Currency	LTP	Change
NDF	78.21	0.05
USDINR	78.155	-0.0875
JPYINR	58.8825	0.595
GBPINR	94.465	-0.3225
EURINR	81.4275	-0.69
USDJPY	132.73	-1.6
GBPUSD	1.2094	-0.0028
EURUSD	1.0427	-0.0072

Market Summary and News

❖ The Bank of England's pledge to get more aggressive on inflation is lifting the spirits of worn-down pound traders. The pound jumped 1.5% and at one point edged above \$1.24, pulling further away from a two-year low hit earlier in the week. Traders looked past the central bank rate hike and focused on officials signaling that they'll move forcefully on inflation in the future if needed. The Bank of England will need to unleash a dramatic series of interest rate hikes that take borrowing costs to 3% by the end of the year, according to financial market bets that suggests policy makers have lost control of inflation. Still, the pound is the fourth-worst performing major currency this year. It has weakened 8.6% in 2022. But we are sticking to their bearish view with base rate forecasts and still expects 25-basis-point increases per meeting, likely peaking at 2% in November as with this rate view and a cautious outlook on the economy, we would be inclined to fade the rally in the pound and anticipate that its longer-term struggles are likely to continue. Even if policy makers deliver on the aggressive pace of tightening priced by the market, the pound would still struggle because of the UK's weak economy. An aggressive hiking trajectory by the BOE will lead the market to price in even lower growth, pressuring real yields and weighing on sterling.

❖ India is proposing to settle trade with Russia in rupees, as the South Asian nation presses ahead with purchases of oil and weapons from the sanctions-hit country. New Delhi plans to use about \$2 billion equivalent of rupees deposited at Russia's state-controlled VTB Bank PJSC and Sber bank of Russia PJSC, the person said, asking not to be identified as the deliberations are private. A plan could be finalized soon as Russian officials are visiting the Indian capital this week. India has previously used a rupee-ruble mechanism, which has fallen out of favor this time around due to extreme volatility in the Russian currency and the deposits in the Russian accounts could swell to \$5 billion by year-end given how much India is buying. Prime Minister Narendra Modi's administration is keen to finalize a mechanism as India has been lifting imports of oil to take advantage of a dip in prices after US, Europe, Australia and Japan piled economic sanctions on Russia. Cheaper Russian crude can help India, which has seen inflation surge past the central bank's target as oil rallies to nearly \$130 a barrel. India had a trade deficit of \$6.61 billion with Russia in the year ended March 2022, with total bilateral trade at \$13.1 billion. New Delhi is working on boosting exports of products such as pharmaceuticals, plastics and chemicals to balance the books. India, the world's largest buyer of Russian weapons, has resisted pressure from the US and Australia to scale back its relationship. It has cited threats from Pakistan and China to argue its case for continued supplies, a move that prompted the US to consider extending foreign military finance to wean India away from Russia-made military hardware. India has historically attempted a neutral stance on tensions between major powers, even as it has joined groups such as the Quad security alliance with Australia, Japan and the US.

Currency options traders are betting the Bank of Japan will join global peers like the Swiss National Bank in roiling markets with a monetary-policy surprise this week. Demand to hedge one-day price swings in the yen ahead of the BOJ's meeting Friday is the highest since March 2020 and traders are also betting that the yen -- which has gained over 1% so far this week -- could extend the rally. An unexpected move by the SNB to raise interest rates for the first time in 15 years on Thursday put the franc on track for its biggest rally since January 2015, when a cap on the currency was removed. While Japan's policy makers are expected to continue with monetary easing, there's growing speculation in global markets about the potential for a shock decision. The BOJ has been keeping a lid on government bond yields since 2016 and defending that cap vigorously in recent days, but pressure is building to either alter its policy stance or give guidance on when that will end after the Federal Reserve's biggest interest-rate hike since 1994. The yen rallied as much as 1.1% Thursday.

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



Nirmal Bang Securities - Bullion Technical Market Update

Gold Market Update



Market View	
Open	50650
High	51092
Low	50295
Close	50986
Value Change	548
% Change	1.09
Spread Near-Next	0
Volume (Lots)	7777
Open Interest	13121
Change in OI (%)	1.78%

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 1830-35 for target 1860-70.

BUY GOLD AUG (MCX) AT 50800 SL 50550 TARGET 51100/51250

Silver Market Update



Market View	
Open	61223
High	61645
Low	60289
Close	61527
Value Change	830
% Change	1.37
Spread Near-Next	0
Volume (Lots)	17709
Open Interest	10598
Change in OI (%)	-18.14%

Silver - Outlook for the Day

Silver comparatively not looking so strong but as a white metal we can expect some support around 21.30-40 zone, where one can go long for target 21.80-90 and trade within range if 21.00-22.30.

BUY SILVER JULY (MCX) AT 61000 SL 60300 TARGET 61850/62200



Nirmal Bang Securities - Currency Technical Market Update

USDINR Market Update



Market View	
Open	78.1425
High	78.245
Low	78.0525
Close	78.155
Value Change	-0.0875
% Change	-0.11
Spread Near-Next	0
Volume (Lots)	2029162
Open Interest	5479305
Change in OI (%)	0.50%

USDINR - Outlook for the Day

USDINR witnessed a weak open and remain consolidated followed by a flat closure in green at 78.15. USDINR has formed a small green candle with sideways closure 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 78.15, the momentum will trade on a weaker note towards 78 – 77.75. But momentum above 78.39 would lead momentum towards 78.60. 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	77.5000	77.7500	77.9000	78.2500	78.4000	78.6500



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