



Daily Bullion Physical Market Report

Date: 18th January 2023

Daily India Spot Market Rates

Description	Purity	AM	PM
Gold	999	56825	56752
Gold	995	56597	56525
Gold	916	52052	51985
Gold	750	42619	42564
Gold	585	33243	33200
Silver	999	69049	68661

*Rate as exclusive of GST as of 17th January 2023 Gold is Rs/10 Gm & Silver in Rs/Kg

Gold and Silver 999 Watch

Date	GOLD*	SILVER*
17 th January 2023	56752	68661
16 th January 2023	56883	69167
13 th January 2023	56462	68115
12 th January 2023	56097	67963

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

COMEX Futures Watch

Description	Contract	Close	Change	%Chg
Gold(\$/oz)	FEB 23	1909.90	-11.80	-0.61
Silver(\$/oz)	MAR 23	24.07	-0.30	-1.25

ETF Holdings as on Previous Close

ETFs	Long	Short
SPDR Gold	909.24	-2.90
iShares Silver	14,486.53	-71.53

Gold and Silver Fix

Description	LTP
Gold London AM Fix(\$/oz)	1904.95
Gold London PM Fix(\$/oz)	1913.80
Silver London Fix(\$/oz)	24.10

Bullion Futures DGCX

Description	Contract	LTP
Gold(\$/oz)	FEB. 23	1911.7
Gold Quanto	FEB. 23	56372
Silver(\$/oz)	MAR. 23	24.07

Gold Ratio

Description	LTP
Gold Silver Ratio	79.35
Gold Crude Ratio	23.82

Weekly CFTC Positions

	Long	Short	Net
Gold(\$/oz)	136643	54069	82574
Silver	45521	20911	24610

MCX Indices

Index	Close	Net Change	% Chg
MCX iCOMDEX Bullion	15715.47	-62.72	-0.40 %

Macro-Economic Indicators

Time	Country	Event	Forecast	Previous	Impact
18th January 12:30 pm	Britain	CPI y/y	10.5 %	10.7 %	High
18th January 03:30 pm	Europe	Final CPI y/y	9.2 %	9.2 %	Low
18th January 07:00 pm	United States	Core PPI m/m	0.1 %	0.4 %	High
18th January 07:00 pm	United States	Core Retail Sales m/m	-0.5 %	-0.2 %	High
18th January 07:00 pm	United States	PPI m/m	-0.1 %	0.3 %	High
18th January 07:00 pm	United States	Retail Sales m/m	-0.6 %	-0.8 %	High
18th January 07:45 pm	United States	Industrial Production m/m	-0.1 %	-0.2 %	Low



Nirmal Bang Securities - Daily Bullion News and Summary

- ❖ Gold fell for its second day as Treasury yields dropped on bets that the Federal Reserve's interest-rate hikes may be slowing. The precious metal has rallied in the past two months, climbing above \$1,900 an ounce to hit an eight-month high Friday, amid speculation the Fed will start to ease the pace of its interest rate hikes. That followed months of declines when monetary tightening weighed on the non-yielding asset. Traders are turning to US data due later this week for more clues on the Fed's monetary-policy tightening path. US data including retail sales and the producer price index are due Wednesday, and may provide insight on whether inflationary pressures are easing. Several Fed officials will be speaking this week, providing more clues on their policy priorities.
- ❖ Exchange-traded funds cut 7,062 troy ounces of gold from their holdings in the last trading session, bringing this year's net sales to 110,269 ounces, according to data compiled by Bloomberg. This was the sixth straight day of declines, the longest losing streak since Nov. 7. The sales were equivalent to \$13.5 million at the previous spot price. Total gold held by ETFs fell 0.1 percent this year to 94 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 29.3 million ounces has a market value of \$56.2 billion. ETFs also cut 2.2 million troy ounces of silver from their holdings in the last trading session, bringing this year's net sales to 3.23 million ounces. This was the biggest one-day decrease since Nov. 9.
- ❖ Recent US inflation reports have been encouraging, but the rate of increases in prices is still too high to ease off monetary restraint, Federal Reserve Bank of Richmond President Thomas Barkin said. "I would want to see inflation convincingly back to our target" before easing up on rate hikes, Barkin said in an interview with Fox Business Tuesday. "You just can't declare victory too soon." Median projections show policymakers see rates rising to above 5% this year, and officials are largely expected to raise rates by a quarter point when they meet next on Jan. 31 to Feb. 1. Price growth measured by their preferred index rose 5.5% for the year ending November, and 4.7% minus food and energy. The main gauge was as high as 7% in June, compared with the target of 2%. "I want to see inflation, and median and trimmed mean, compellingly headed back to our target," Barkin said. "As long as inflation stays elevated, we need to continue to move the needle, to tighten if you will, ever more." Policymakers rapidly raised interest rates last year from near-zero levels in March to a range of 4.25% to 4.5% in December in an effort to tame the strongest inflation in a generation.
- ❖ European Central Bank policymakers are starting to consider a slower pace of interest-rate hikes than President Christine Lagarde indicated in December, according to officials with knowledge of their discussions. While the 50 basis-point step in February she signaled remains likely, the prospect of a smaller 25-point increase at the following meeting in March is gaining support, the officials said, asking not to be identified because talks on the matter are confidential. Any slowdown in monetary tightening shouldn't be viewed as the ECB going soft on its mandate, the officials said. They stressed that no decisions have been taken, and that policymakers may still deliver the half-point move for the March meeting that Lagarde penciled in on Dec. 15. An ECB spokesperson declined to comment on future action by the Governing Council. The euro fell against the dollar after the report, trading to as low as \$1.0795 versus an earlier high of \$1.0869. While a half-point hike remains priced for February, money markets eased tightening wagers further out, putting odds on a similarly sized increase in March at around 70%. Weaker-than-expected inflation in the euro area, a drop in natural gas prices and the prospect of gentler tightening by the US Federal Reserve have brought some comfort to policymakers as they ponder how to continue the most aggressive rate hikes in ECB history.
- ❖ The Bank of Japan decided against making more adjustments to its yield curve control program, prompting a sharp slide in the yen as the central bank tried to contain speculation over policy normalization fueled by December's shock move. The BOJ kept its main policy settings unchanged, leaving its negative interest rate at -0.1% and 10-year bond yields around 0%, according to its latest policy statement Wednesday. The bank said it would continue large-scale bond purchases and increase them on a flexible basis if needed as it showed its intention to double down on defense of its yield curve control program for now. The yen tumbled around 2% to 130.80 per dollar. Japan's bond market is shut for a lunch break until 12:25 p.m. in Tokyo. While almost all 43 economists surveyed had forecast the stand-pat decision, many of them had said they couldn't rule out the possibility of back-to-back action. After the BOJ unexpectedly widened its 10-year yield target band last month, Governor Haruhiko Kuroda's massive easing program has come under the fiercest market attack in his decade-long term. While Kuroda insisted that December's move aimed to improve market functioning, it only fueled speculation over more changes. Some believe there will be more action even before the governor steps down in April.
- ❖ **Fundamental Outlook:** Gold and silver prices are trading slightly lower today on international bourses. We expect precious metals prices on Indian bourses to trade range-bound to slightly lower for the day. We recommend sell on rise in gold and silver in intra-day trading sessions amid bets that the Federal Reserve will start to curtail its aggressive rate-hike program as inflation slows.

Key Market Levels for the Day

Time	Month	S3	S2	S1	R1	R2	R3
Gold – COMEX	February	1790	1810	1835	1855	1875	1895
Silver – COMEX	March	23.35	23.65	23.85	24.10	24.25	24.50
Gold – MCX	February	55900	56100	56300	56400	56550	56700
Silver – MCX	March	68000	68500	69200	69500	70100	70700



Nirmal Bang Securities - Daily Currency Market Update

Dollar Index

LTP/Close	Change	% Change
102.39	0.19	0.18

Bond Yield

10 YR Bonds	LTP	Change
United States	3.5476	0.0441
Europe	2.0860	-0.0850
Japan	0.5240	-0.0030
India	7.3330	0.0060

Emerging Market Currency

Currency	LTP	Change
Brazil Real	5.1052	-0.0475
South Korea Won	1238.9	3.2500
Russia Rubble	68.6277	-0.1223
Chinese Yuan	6.7719	0.0337
Vietnam Dong	23436	-7
Mexican Peso	18.6611	-0.118

NSE Currency Market Watch

Currency	LTP	Change
NDF	81.66	0.04
USDINR	81.825	0.185
JPYINR	63.615	-0.1625
GBPINR	100	0.24
EURINR	88.565	0.0925
USDJPY	128.73	0.6
GBPUSD	1.2225	0.001
EURUSD	1.0823	-0.001

Market Summary and News

❖ Euro-area bonds surged after Bloomberg reported the European Central Bank may slow the pace of rate hikes in March, adding momentum to a rally built on speculation inflation is beginning to slow in the region. Italian bonds — some of the most sensitive to higher borrowing costs — led the advance as traders eased bets on how much tightening the bank will deliver this cycle. The prospect of a smaller 25-basis point increase at the ECB meeting in March is gaining support among policymakers, according to officials with knowledge of their discussions. A slower pace of rate hikes would help extend the strongest start to a year in European fixed income on record, and take the wind out of a nascent rally in the common currency. While a half-point hike remains priced for February, money markets eased tightening wagers further out, putting odds on a similarly sized increase in March at around 70% compared to more than 80% earlier. The implied peak rate fell to 3.3% from almost 3.5%. "It makes sense given inflation data," said Giles Gale, head of European rates strategy at NatWest Markets, who expects a half-point hike in February, followed by two quarter-point increases. "It should help to bring down volatility." Headline inflation in the euro zone slowed for a second month to 9.2% in December, down from a high of 10.6% in October.

❖ Money-market traders are amping up bets on interest-rate hikes by the Bank of England after near-record UK wage growth put the spotlight firmly on Wednesday's inflation report. They added 6 basis points to their wagers, pointing to a bank rate of 4.56% by September, the highest level seen in almost a week. Yields on two-year gilts — among the most sensitive to changes in monetary policy — rose 5 basis points to a two-week high of 3.57%. The pound was on track to close at a five-week high. "Barring a significant recovery in labor supply, we continue to expect the labor market to remain tight and wage growth to remain elevated through the year," wrote Goldman Sachs Group Inc. economist Ibrahim Quadri in a client note. Gas prices have fallen more than 80% from last year's record peak and headline inflation due Wednesday is expected to slow to 10.5% in December — potentially the first consecutive drop since the pandemic struck in 2020. While UK policy makers slowed their pace of tightening to 50 basis points last month, Governor Andrew Bailey warned that risks to the outlook for inflation remain tilted to the upside. Tuesday's wage numbers — which grew the most since records began in 2001, excluding the pandemic peak — are adding to concerns. "Pressure will be on the MPC to continue tightening into this slowdown," Rabobank strategists including Richard McGuire wrote in a client note. They see policymakers raising official borrowing costs half a point next month. That compares with 46 basis points currently priced by money markets. Treasuries resumed their decline Tuesday after cash markets were closed Monday for a US holiday. The 10-year benchmark yield rose 4 basis points to 3.55%.

❖ The yen tumbled after the Bank of Japan maintained its yield-curve control program, defying calls to abandon the policy to restore bond-market liquidity. Japan's currency slipped 1.7% to 130.38 per dollar. In addition to keeping its yield-curve settings unchanged, the BOJ also left its benchmark interest rate at minus 0.1%, as economists forecast. The BOJ's decision means there's likely to be a further tussle with bond bears and it may be prolonged as there's no scheduled policy meeting in February. The central bank's December move to double the 10-year yield ceiling to 0.5% spurred a selloff in bonds, necessitating record BOJ debt purchases to rein in yields and exacerbating the liquidity issues that Governor Haruhiko Kuroda had aimed to improve. "It's crystal clear that the BOJ can't continue the current large bond purchases," Ayako Sera, a market strategist at Sumitomo Mitsui Trust Bank Ltd. in Tokyo, said before the decision. "I don't think the decision will put out speculation of a future policy change." While most economists surveyed by Bloomberg had forecast no change at this week's meeting, an unusually high number of analysts said they couldn't rule out the possibility of another adjustment to yield-curve control.

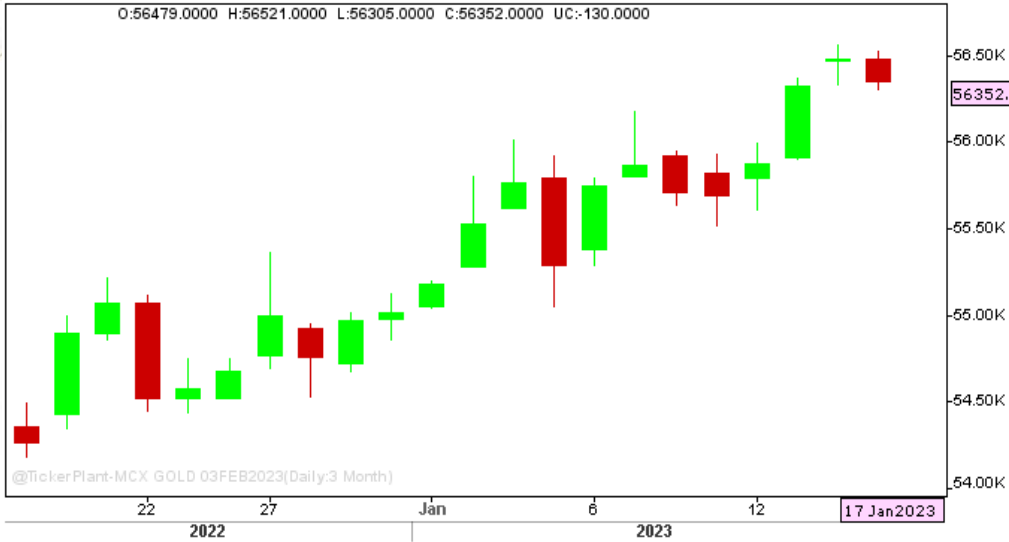
Key Market Levels for the Day

	S3	S2	S1	R1	R2	R3
USDINR Spot	81.1000	81.3000	81.5000	81.7800	81.9800	82.1500



Nirmal Bang Securities - Bullion Technical Market Update

Gold Market Update



Market View	
Open	56479
High	56521
Low	56305
Close	56352
Value Change	-130
% Change	-0.23
Spread Near-Next	444
Volume (Lots)	4929
Open Interest	11409
Change in OI (%)	-7.63%

Gold - Outlook for the Day

Gold is likely to witness some profit takings, try to sell on rise around \$ 1930-40 for the target of \$ 1900-1890.

SELL GOLD FEB (MCX) AT 56400 SL 56600 TARGET 56100/56000

Silver Market Update



Market View	
Open	69686
High	69849
Low	69036
Close	69186
Value Change	-600
% Change	-0.86
Spread Near-Next	1158
Volume (Lots)	11183
Open Interest	19862
Change in OI (%)	-4.97%

Silver - Outlook for the Day

Silver looks resistive at \$ 24.70-80. So try to sell on rise between \$ 24.70-80 for the target of \$ 24-23.70.

SELL SILVER MARCH (MCX) AT 69500 SL 70100 TARGET 68700/68300



Nirmal Bang Securities - Currency Technical Market Update

USDINR Market Update



Market View	
Open	81.725
High	81.93
Low	81.725
Close	81.825
Value Change	0.185
% Change	0.23
Spread Near-Next	0.5639
Volume (Lots)	2478753
Open Interest	3175358
Change in OI (%)	1.16%

USDINR - Outlook for the Day

USDINR witnessed a positive open marking the high at 81.93 with closure on a positive note at 81.82. USDINR has formed a green candle with an upper shadow indicating resistance from higher levels. The pair on the daily chart pair has closed below all SMA indicating weakness in the pair. USDINR, if trades below 81.75, pair will head towards 81.50 – 81.35. Whereas, momentum above 81.95; will lead the pair to test the lows 82.25 – 82.55. The daily strength indicator RSI and momentum oscillator Stochastic both are trading below their reference line indicating weakness ahead.

Key Market Levels for the Day

	S3	S2	S1	R1	R2	R3
USDINR December	81.2800	81.5500	81.7000	81.98000	82.1500	82.3500



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