



Daily Bullion Physical Market Report

Date: 19th January 2023

Daily India Spot Market Rates

| Description | Purity | AM | PM |
|-------------|--------|-------|-------|
| Gold | 999 | 56605 | 56755 |
| Gold | 995 | 56378 | 56528 |
| Gold | 916 | 51850 | 51988 |
| Gold | 750 | 42454 | 42566 |
| Gold | 585 | 33114 | 33202 |
| Silver | 999 | 68661 | 68993 |

*Rate as exclusive of GST as of 18th January 2023 Gold is Rs/10 Gm & Silver in Rs/Kg

Gold and Silver 999 Watch

| Date | GOLD* | SILVER* |
|-------------------------------|-------|---------|
| 18 th January 2023 | 56755 | 68993 |
| 17 th January 2023 | 56752 | 68661 |
| 16 th January 2023 | 56883 | 69167 |
| 13 th January 2023 | 56462 | 68115 |

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

COMEX Futures Watch

| Description | Contract | Close | Change | %Chg |
|---------------|----------|---------|--------|-------|
| Gold(\$/oz) | FEB 23 | 1907.00 | -2.90 | -0.15 |
| Silver(\$/oz) | MAR 23 | 23.65 | -0.42 | -1.75 |

ETF Holdings as on Previous Close

| ETFs | Long | Short |
|----------------|-----------|--------|
| SPDR Gold | 910.98 | 1.74 |
| iShares Silver | 14,390.67 | -95.85 |

Gold and Silver Fix

| Description | LTP |
|---------------------------|---------|
| Gold London AM Fix(\$/oz) | 1911.55 |
| Gold London PM Fix(\$/oz) | 1920.70 |
| Silver London Fix(\$/oz) | 24.19 |

Bullion Futures DGCX

| Description | Contract | LTP |
|---------------|----------|--------|
| Gold(\$/oz) | FEB. 23 | 1906.3 |
| Gold Quanto | FEB. 23 | 56306 |
| Silver(\$/oz) | MAR. 23 | 23.60 |

Gold Ratio

| Description | LTP |
|-------------------|-------|
| Gold Silver Ratio | 80.64 |
| Gold Crude Ratio | 23.99 |

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 | 15652.75 | -71.37 | -0.46 % |

Macro-Economic Indicators

| Time | Country | Event | Forecast | Previous | Impact |
|-----------------------|---------------|--------------------------------|----------|----------|--------|
| 19th January 04:00 pm | Europe | ECB President Lagarde Speaks | - | - | Medium |
| 19th January 07:00 pm | United States | Philly Fed Manufacturing Index | -10.9 | -13.8 | Medium |
| 19th January 07:00 pm | United States | Unemployment Claims | 214 K | 205 K | Medium |
| 19th January 07:00 pm | United States | Building Permits | 1.37 M | 1.34 M | Low |
| 19th January 07:00 pm | United States | Housing Starts | 1.36 M | 1.43 M | Low |
| 19th January 11:45 pm | United States | FOMC Member Brainard Speaks | - | - | Medium |



Nirmal Bang Securities - Daily Bullion News and Summary

❖ Gold reversed gains as the dollar pared losses, with traders pondering the pace of the Federal Reserve's interest-rate hikes following cooling price pressures. US producer prices plunged by the most since the start of pandemic, extending a months-long pullback in inflationary pressures. Retail sales fell 1.1% in December, the most in a year and more than the median estimate of economists surveyed. The prints will offer further encouragement to Fed officials that consumer demand and inflation are cooling, allowing policy makers to reduce the pace of rate hikes that weighed on gold last year. Bullion has rallied since the end of October, hitting an eight-month high Monday, on bets the US central bank will turn less hawkish.

❖ Exchange-traded funds cut 71,008 troy ounces of gold from their holdings in the last trading session, bringing this year's net sales to 181,277 ounces, according to data compiled by Bloomberg. This was the seventh straight day of declines, the longest losing streak since Nov. 7. The sales were equivalent to \$135.5 million at yesterday's spot price. Total gold held by ETFs fell 0.2 percent this year to 93.9 million ounces, the lowest level since Dec. 15. Gold advanced 4.6 percent this year to \$1,908.69 an ounce and fell by 0.4 percent in the latest session. State Street's SPDR Gold Shares, the biggest precious-metals ETF, pared its holdings by 93,030 ounces in the last session. The fund's total of 29.2 million ounces has a market value of \$55.8 billion. ETFs added 50,973 troy ounces of silver to their holdings in the last trading session, bringing this year's net sales to 3.18 million ounces.

❖ A pair of Federal Reserve officials who vote on policy this year backed moderating the pace of interest-rate increases as two others voiced support for additional hikes. Dallas Fed President Lorie Logan and Philadelphia Fed chief Patrick Harker laid out the case on Wednesday for another downshift in the central bank's tightening campaign when officials next meet. Their comments followed data showing US retail sales fell in December by the most in a year while producer prices declined, extending a months-long pullback in inflation. "A slower pace is just a way to ensure we make the best possible decisions," Logan told an event at the University of Texas at Austin's McCombs School of Business. "We can and, if necessary, should adjust our overall policy strategy to keep financial conditions restrictive even as the pace slows." Harker, reiterating comments he made last week, said increases of 25 basis points would be appropriate going forward. "I think we get north of 5 - again we can argue whether it's 5.25% or 5.5% - but we sit there for a while," he told an event hosted by the University of Delaware. Both officials vote this year on the Federal Open Market Committee, which investors widely expect will raise rates by a quarter percentage point when it meets Jan. 31-Feb. 1. Officials hiked by a half point last month to a target range of 4.25% to 4.5%, slowing the pace of rate increases after four straight 75 basis-point moves. Their remarks followed earlier comments from St. Louis Fed chief James Bullard and Loretta Mester of the Cleveland Fed - both closely-watched policy hawks - who stressed the need to keep tightening policy. "We're almost into a zone that we could call restrictive - we're not quite there yet," Bullard said in an online Wall Street Journal interview, explaining that price pressures remain too high and officials must not "waver" on bringing them steadily down to the Fed's 2% target. "Policy has to stay on the tighter side during 2023" as the disinflationary process unfolds, he added, saying that he penciled in a forecast for a rate range of 5.25% to 5.5% by the end of this year in the Fed's December dot plot of projections. The disclosure shows that he was among a group of five of the Fed's 19 policymakers who saw rates in that range at the end of this year, with two other officials projecting rates at 5.5% to 5.75%. The median rate projection was for 5% to 5.25%.

❖ US Treasuries added to their historic new-year advance Wednesday as five- and 10-year yields dropped to the lowest levels since September. The main catalyst was a spate of weaker-than-expected US economic data that reinforced expectations the Federal Reserve will soon end its run of interest-rate hikes. The downside surprises in retail sales, producer prices and industrial production reignited a rally that began during Asia's trading day after the Bank of Japan maintained its accommodative policy stance, catching some traders by surprise. Strong demand for an auction of 20-year bonds cemented the gains. Intermediate sectors of the Treasury market led yields to levels consistent with the view that a US economic recession arriving later this year could compel Fed rate cuts. The five-year yield fell as much as 19 basis points to 3.43%, the 10-year as much as 18 basis points to 3.37%, on heavy volumes in Treasury futures. Benchmark yields were near session lows shortly before 4 p.m. New York time. Expectations for the Fed's policy rate peak by the middle of the year eased below 4.9%, while swaps covering the next two policy meetings out to March priced in 46 basis points of additional tightening. The Fed's current policy band is 4.25% to 4.5%. The gains failed to curb demand for the 20-year bond auction, which drew a yield of 3.678%, the lowest since August, versus a pre-sale level of around 3.705%, a sign that demand exceeded expectations. After the auction, the Fed's Beige Book report characterized economic activity as broadly unchanged or stagnant, helping sustain market gains.

❖ UK inflation dropped to 10.5% in December, down from its peak of 11.1% in October. Annual CPI is set to stay high over the winter, remaining above 9% until April. That will likely prompt the Bank of England to push rates higher in the early part of this year. We expect the decline in inflation to accelerate from the spring, driven by energy and core goods prices. Inflation in the services sector, which at 6.8% is running over twice the pace of its long run average, is likely to be stickier as the labor market takes time to ease. Overall we expect annual CPI to end the year at 4% with a move below 2% unlikely until 2024.

❖ **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 as gold edged higher after three days of declines after weak US economic data stoked optimism the Federal Reserve may ease the intensity of its cycle of aggressive rate hikes.

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 | 55700 | 55900 | 56100 | 56400 | 56600 | 56750 |
| Silver – MCX | March | 66400 | 67000 | 67600 | 68600 | 69200 | 69800 |



Nirmal Bang Securities - Daily Currency Market Update

Dollar Index

| LTP/Close | Change | % Change |
|-----------|--------|----------|
| 102.36 | -0.03 | -0.03 |

Bond Yield

| 10 YR Bonds | LTP | Change |
|---------------|--------|---------|
| United States | 3.3698 | -0.1778 |
| Europe | 2.0160 | -0.0700 |
| Japan | 0.4590 | -0.0650 |
| India | 7.3240 | -0.0100 |

Emerging Market Currency

| Currency | LTP | Change |
|-----------------|---------|---------|
| Brazil Real | 5.1815 | 0.0763 |
| South Korea Won | 1237.55 | -1.3500 |
| Russia Rubble | 69.091 | 0.4633 |
| Chinese Yuan | 6.7578 | -0.0141 |
| Vietnam Dong | 23440 | 4 |
| Mexican Peso | 18.8897 | 0.2286 |

NSE Currency Market Watch

| Currency | LTP | Change |
|----------|---------|--------|
| NDF | 81.53 | 0.06 |
| USDINR | 81.335 | -0.49 |
| JPYINR | 63.015 | -0.6 |
| GBPINR | 100.475 | 0.475 |
| EURINR | 88.205 | -0.36 |
| USDJPY | 129.06 | 0.33 |
| GBPUSD | 1.2351 | 0.0126 |
| EURUSD | 1.0844 | 0.0021 |

Market Summary and News

❖ The Bank of Japan not only held its ground on its yield curve control program, it added support by expanding the flexibility of a related funding program. Tweaking the loan program helps the BOJ maintain the yield curve without more direct intervention in the bond market. This may make YCC more sustainable over a longer period. In the short-term, we also expect the BOJ to do more jawboning to counter upward pressure on yields. The BOJ kept the upper limit on its target band for the 10-year JGB yield at 0.50%. It held its short-term rate at -0.1%. The BOJ bolstered YCC by removing restrictions on loans it makes to financial institutions as part of fund supplying operations. It can now determine loan rates based on market conditions for loans up to 10 years. Previously some of the loans were capped at one year. The BOJ started the new offers today. The BOJ's shock move in December to double the ceiling on its target range for 10-year yields fanned speculation it might start normalizing policy in 2023. Today's decision beat back some of this. The 10-year JGB yield, OIS rates, and USD/JPY returned to levels similar to those just after the December announcement. The BOJ also cut its growth forecasts for fiscal 2022, 2023, and 2024, underscoring that it sees the need to support the recovery in the medium term. The central bank raised its outlook for core inflation excluding fresh food and energy this fiscal year and next. But the drivers remain cost-push not the sustainable domestic demand and wage growth it seeks. The baseline view is that the BOJ won't reduce stimulus until Japan achieves a recovery with sustainable wage growth, conditions that probably won't be met until 1Q24.

❖ UK inflation dipped for a second month in December, boosting hopes that the worst cost-of-living crisis in a generation may be starting to ease. Consumer prices rose 10.5% from a year earlier, the Office for National Statistics said Wednesday. That's slower than the 10.7% gain in November and a peak above 11% in October, when domestic energy bills surged. Inflation remains five times higher than the government's 2% target and has touched off a wave of strikes by public sector workers angry their wages are falling short of the pace of price increases. Prime Minister Rishi Sunak has made halving inflation one of his five key pledges for the year. The figures are the last Bank of England officials will see before their next interest rate decision in February. The pound rose to the day's high, advancing as much as 0.3% to \$1.2320, reflecting optimism that the UK economy may not be hit as hard as forecasters had previously thought. The headline inflation rate was in line with economist expectations. December's drop in UK inflation is unlikely to deter the majority of Bank of England policy makers from delivering another 50 basis-point hike next month. Core inflation is proving sticky, which alongside rapid wage growth, elevated expectations and a more resilient economy, suggests price pressure could prove more persistent. We see the benchmark rate peaking at 4.25% in March, but there's an increasing risk it will need to go higher to bring inflation down.

❖ Guidance from European Central Bank President Christine Lagarde that borrowing costs will continue to be lifted in half-point steps for some time still holds, according to Governing Council member Francois Villeroy de Galhau. The Bank of France chief said it's too soon to talk about the size of the likely interest-rate increase in March, after people familiar with officials' thinking told Bloomberg that moderating inflation and declining energy prices may warrant a smaller hike. "We said very clearly we still decide meeting by meeting, we are data driven, so it's much too early to speculate about what we will do in March," Villeroy said. "Let me remind you of the words of President Lagarde at her last press conference in December: We should expect to raise rates at a pace of 50 basis points for a period of time. Well, these words are still valid today." Lagarde on Dec. 15 also had chimed the same tune stating, "So we will continue that at a steady pace. Based on the information that we have available today, that predicates another 50-basis-point rate hike at our next meeting, and possibly at the one after that, and possibly thereafter, but everything will also be determined by the review of data. So don't assume that it's a one-shot 50; it's more than that." The euro extended gains against.

Key Market Levels for the Day

| | S3 | S2 | S1 | R1 | R2 | R3 |
|-------------|---------|---------|---------|---------|---------|---------|
| USDINR Spot | 80.5000 | 80.8000 | 81.1000 | 81.5000 | 81.6500 | 81.8800 |



Nirmal Bang Securities - Bullion Technical Market Update

Gold Market Update



| Market View | |
|------------------|--------|
| Open | 56303 |
| High | 56550 |
| Low | 56122 |
| Close | 56286 |
| Value Change | -66 |
| % Change | -0.12 |
| Spread Near-Next | 408 |
| Volume (Lots) | 5918 |
| Open Interest | 10672 |
| Change in OI (%) | -6.91% |

Gold - Outlook for the Day

Gold is likely to witness some profit takings try to sell on rise around \$ 1915-20 for the target of \$ 1890-1880.

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

Silver Market Update



| Market View | |
|------------------|--------|
| Open | 69369 |
| High | 69767 |
| Low | 68114 |
| Close | 68227 |
| Value Change | -959 |
| % Change | -1.39 |
| Spread Near-Next | 1174 |
| Volume (Lots) | 19466 |
| Open Interest | 18457 |
| Change in OI (%) | -7.61% |

Silver - Outlook for the Day

Silver looks weak compare to gold, we are recommending to go short on higher levels around \$ 23.70-80 for target \$ 23.00.

SELL SILVER MARCH (MCX) AT 68600 SL 69300 TARGET 67600/67000



Nirmal Bang Securities - Currency Technical Market Update

USDINR Market Update



| Market View | |
|------------------|---------|
| Open | 81.815 |
| High | 81.87 |
| Low | 81.28 |
| Close | 81.335 |
| Value Change | -0.49 |
| % Change | -0.6 |
| Spread Near-Next | 1.0539 |
| Volume (Lots) | 3723159 |
| Open Interest | 3211824 |
| Change in OI (%) | 1.14% |

USDINR - Outlook for the Day

USDINR witnessed a weak open at 81.81 followed by a strong session in red with marking the low at 81.28 with closure near the same. USDINR has formed a long red candle with closure in lower lows and highs indicating profit taking in the pair. The pair on the daily chart pair has closed below all SMA indicating weakness in the pair. USDINR, if trades below 81.25, pair will head towards 80.80. Whereas, momentum above 81.45; will lead the pair to test the lows 81.65 – 81.80. 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 | 80.6000 | 80.8000 | 81.1000 | 81.5000 | 81.6500 | 81.8500 |



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