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India Bullion and Jewellers Associations Ltd. Since 1919

India Bullion And Jewellers Association Ltd. Celebrating 103 Years 1919 - 2022

Daily Bullion Physical Market Report

Date: 20th September 2022

Daily India Spot Market Rates

Description	Purity	AM	PM
Gold	999	49328	49320
Gold	995	49131	49123
Gold	916	45184	45177
Gold	750	36996	36990
Gold	585	28857	28852
Silver	999	56350	56354

*Rate as exclusive of GST as of 19th September 2022 Gold is Rs/10 Gm & Silver in Rs/Kg

Gold and Silver 999 Watch

Date	GOLD*	SILVER*
19th September 2022	49320	56354
16th September 2022	49341	55144
15th September 2022	49926	56330
14th September 2022	50300	56350

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

COMEX Futures Watch

Description	Contract	Close	Change	%Chg
Gold($/oz)	DEC 22	1678.20	-5.30	-0.31
Silver($/oz)	DEC 22	19.36	-0.02	-0.12

ETF Holdings as on Previous Close

ETFs	Long	Short
SPDR Gold	957.95	-2.90
iShares Silver	14,859.34	252.19

Gold and Silver Fix

Description	LTP
Gold London AM Fix($/oz)	1664.30
Gold London PM Fix($/oz)	1664.65
Silver London Fix($/oz)	19.00

Bullion Futures DGCX

Description	Contract	LTP
Gold($/oz)	OCT. 22	1672
Gold Quanto	OCT. 22	49322
Silver($/oz)	DEC. 22	19.49

Gold Ratio

Description	LTP
Gold Silver Ratio	86.69
Gold Crude Ratio	19.58

Weekly CFTC Positions

	Long	Short	Net
Gold($/oz)	90604	100736	-10132
Silver	38931	46390	-7459

MCX Indices

Index	Close	Net Change	% Chg
MCX iCOMDEX Bullion	13671.22	53.51	0.39 %

Macro-Economic Indicators

Time	Country	Event	Forecast	Previous	Impact
20th September 06:00pm	United States	Building Permits	1.61 M	1.69 M	Low
20th September 06:00pm	United States	Housing Starts	1.45 M	1.45 M	Low
20th September 10:30pm	Europe	ECB President Lagarde Speaks	-	-	Medium

Nirmal Bang Securities - Daily Bullion News and Summary

❖ Gold slipped as investors brace for a Federal Reserve interest-rates decision that risks putting more pressure on the precious metal. Uncertainty over the Fed's move is leaving gold traders unsure themselves as to where bullion will go. Bullion has slumped this year as the Fed's aggressive monetary policy undermines non-interest bearing assets while boosting the dollar. Meanwhile, the European Central Bank is also expected to continue lifting rates in October and beyond, said Bundesbank President Joachim Nagel. London's gold market was closed Monday due to the state funeral of Queen Elizabeth II, which will likely reduce liquidity. Investors have slashed bullish bets, with hedge funds trading the Comex flipping to a net-short position last week, according to data from the Commodity Futures Trading Commission.

❖ Not even the most hawkish Federal Reserve in decades can beat down the exuberance of gold enthusiasts at the industry's biggest annual gathering. Bullion prices will reach $1,806.10 an ounce by year end, according to the average estimate in a survey of 10 participants at the Denver Gold Forum, the yearly meet up of mining executives, investors, bankers and analysts. The forecast is 7.8% above Monday's spot closing price. The last time gold settled that high was at the beginning of July. "You'll continue to see investment globally interested in owning gold strategically" including from central banks, World Gold Council's Joseph Cavatoni said in an interview at the 34th annual event. "Plus the geopolitical risks are going to keep it front and center, on the mind of every investor." Still, Cavatoni predicts "a bumpy ride" between now and the end of the year, with gold fluctuating until central banks around the world give more clarity on their fight against inflation. The next Fed rate decision will come on the final day of the Denver Gold Forum. The next moves of the precious metal will be driven by the rate decision along with the bank's language around inflation and future hikes. Investors have been fleeing gold of late. Hedge funds and money managers have turned net bearish on the precious metal, according to the latest Commodity Futures Trading Commission data. Holdings of gold-based exchange-traded funds -- a key pillar in pushing bullion prices to record highs in 2020 -- have been sliding for four straight months to the end of August. The downward trend has continued into September, with gold ETF holdings down 1% this month. Still, bullion has held up relatively well, down only 8.4% this year. Its support comes from heightened geopolitical and economic risks. There are concerns that the Fed's aggressive tightening to fight in stubbornly high inflation may tilt the US economy into recession.

❖ Treasury two-year yields are poised to crack above 4% for the first time since 2007 as the Federal Reserve's steepest tightening cycle in a generation drives them higher. The yield on the benchmark short-end note climbed one basis point Tuesday to 3.95%, heading for a ninth straight day of gains. The yield has now risen more than 3.2 percentage points this year, already set for the biggest annual increase since 1994. The Fed will hike its benchmark interest rate by three-quarters of a point on Wednesday for a third consecutive meeting, according to the median estimate in a Bloomberg survey of economists. Two of the 96 analysts surveyed are predicting a full-point move. Treasuries have sold off almost without pause since stronger-than-expected US inflation data last week dashed speculation cost that pressures had peaked. Chair Jerome Powell has made it clear the Fed is committed to quashing inflation sooner rather than later. That's meant two-year notes -- the most sensitive to policy moves -- have led declines.

❖ The pace and magnitude of monetary tightening by the European Central Bank will depend on its capacity to keep a lid on inflation expectations and reduce the spread of price increases beyond energy, said Governing Council member Pablo Hernandez de Cos. The cut off of Russian gas flows to the continent will likely lead to a more prolonged and intense inflation bout that cannot be countered by a slowdown in activity only, said de Cos, who is also the head of the Bank of Spain. "We will continue to normalize monetary policy, at a pace and magnitude that will depend on the materialization of risks to our medium-term inflation target," De Cos said Monday in a speech in Almeria, Spain. However, de Cos warned that monetary action should not focus only on short-term inflation given the lag in the impact that rising interest rates have on prices. He also said that the depth of the economic slowdown will be a key determinant in mid-term inflation expectations, and therefore in future monetary policy decisions.

❖ The Bank of England this week will consider whether to push through the biggest interest-rate increase in 33 years to respond to surging inflation and weakening confidence in British assets. With prices rising five times faster than the UK central bank's 2% target and the pound falling almost daily, policy makers led by Governor Andrew Bailey are under pressure to step up the pace of monetary tightening. Prime Minister Liz Truss's move to protect households from rising energy bills will add a jolt of stimulus to the economy, softening the downturn that analysts and the BOE had been expecting. The US Federal Reserve is likely to push its key rate further past lending costs in the UK, potentially further weakening sterling. "The arguments for a 75 basis-point move are more compelling than those for a 50 basis-point increase," Paul Hollingsworth, chief European economist at BNP Paribas, wrote in a note to clients. The majority of the 47 economists surveyed by Bloomberg expect the BOE to raise its benchmark lending rate a half-percentage point to 2.25% on Sept. 22. Investors on Friday were pricing in just over a 50% chance of a three-quarter-point increase, reining in those bets from a peak of 80% several times in the past few weeks. Complicating this month's decision are the politics of the BOE's nine-member Monetary Policy Committee and Bailey's aim to start selling off more of the £895 billion ($1.1 trillion) of assets the bank built up stimulating the economy since the global financial crisis more than a decade ago.

❖ **Fundamental Outlook:** Gold and silver prices are trading slightly higher on international bourses. We expect precious metals prices on Indian bourses to trade slightly higher for the day. We recommend buy on dips in gold and silver in intra-day trading sessions as investors remained uncertain over the size of the Federal Reserve's looming interest rate hikes, which could put renewed pressure on the precious metal.

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	48800	49000	49250	49500	49700	49900
Silver – MCX	December	55300	55900	56500	57200	57700	58300

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Nirmal Bang Securities - Daily Currency Market Update

Dollar Index

LTP/Close	Change	% Change
109.74	-0.03	-0.02

Bond Yield

10 YR Bonds	LTP	Change
United States	3.4905	-0.0136
Europe	1.8020	0.0480
Japan	0.2570	0.0040
India	7.2360	0.0060

Emerging Market Currency

Currency	LTP	Change
Brazil Real	5.1691	-0.081
South Korea Won	1393.65	-5.5000
Russia Rubble	61.5625	1.5556
Chinese Yuan	7.005	0.0022
Vietnam Dong	23667	1
Mexican Peso	19.9193	-0.0007

NSE Currency Market Watch

Currency	LTP	Change
NDF	79.93	-0.04
USDINR	79.8225	0.0025
JPYINR	55.74	-0.13
GBPINR	90.9375	-0.18
EURINR	79.8175	0.105
USDJPY	143.31	0.3
GBPUSD	1.1393	-0.0017
EURUSD	1.0002	0.0036

Market Summary and News

❖ The biggest income squeeze in a generation appears be hitting the UK high street hard. Retail sales plunged in August and looks likely to fall further soaring inflation will continue to squeeze household purchasing power and weigh on sales volumes in the coming months. Retail sales volumes including autos fuel plunged by 1.6% month-on-month in August. We had forecast a 0.1% decline, while the consensus called for a 0.5% drop. Sales declined across all major sector sectors, highlighting the broad-based weakening outlook as consumers tightened their belts. The economy is already likely to fall into a technical recession in the third quarter as the extra national bank holiday weighs on growth. The scale of the sales plunge in August adds to downside risks for 3Q GDP. This provides further reason for the Bank of England to raise rates by 50 basis points, rather than 75 bp, on Sept. 22. The consumer spending could come under more pressure in the coming months given the unrelenting squeeze on incomes, with a further hit locked-in for October as energy bills rise again. Discretionary purchases will come under particular pressure and consumers are likely to trade down to cheaper brands where possible when buying food. Still, the depth of the cost-of-living crisis has been reduced as a result of the government's energy aid package. Expected tax cuts in the fiscal event to be held on Sept. 23 are likely to assist the wealthiest households the most. Spending on the high street would have a greater benefit if government policy was more targeted, as lower income groups have the highest marginal propensity to spend. The outlook for retail sales, which accounts for about a third of consumer spending, also depends on the willingness of households to use their savings to cushion the blow to real incomes.

❖ European natural gas futures fell again to their lowest level in almost two months as nations intensify efforts to ease the energy crisis with the start of the heating season less than two weeks away. Benchmark prices dropped as much as 8.8% on Monday, extending last week's decline. Germany, the U.K. and others plan to spend billions to ease their reliance on Russian imports, rescue local energy companies, and cap prices to alleviate pressures on businesses and households.

❖ The situation in European energy markets has started to improve across the last three weeks as policy action has taken shape and increasing evidence of price-induced demand response has emerged. Discussions on the European Commission's proposals to help reduce the impact of the crunch continue and need to be signed off by member states. The plans include raising 140 billion euros ($140 billion) from higher taxes on energy companies, mandatory curbs on power use during peak hours and increasing liquidity. High deliveries of liquefied natural gas are also playing into the bearish sentiment, with the recently started Eemshaven LNG terminal boosting Europe's ability to import cargoes. Germany's decision on Friday to seize control of Russian firm Rosneft PJSC's German oil refinery is seen as the first step in an overhaul that could give Berlin more control over the energy sector in Europe's largest economy. The government is also in talks to nationalize Germany's biggest gas importers, including Uniper SE and VNG AG, according to people familiar with the discussions.

❖ The dollar gains versus all Group-of-10 peers as equities and oil prices are under pressure; volumes are low on aggregate ahead of a series of central bank policy decisions due this week. The Dollar Spot Index climbs as much as 0.4%, stays near cycle highs, after advancing 0.8% last week. There is no trading in cash Treasuries during the Asian and European sessions due to a holiday in Japan and the UK observing a day of mourning for Queen Elizabeth II; FX volumes are running around 60% of recent averages. One-week volatility trades in a sea of green as daily weightings on central bank decisions are on the rise since the release of the latest US inflation report. President Joe Biden said US military forces would defend Taiwan from an unprecedented attack fuelling into an already battered market sentiment , adding on to dollar bullishness .

❖ The yuan extended five weeks of losses as the dollar gained and investors remained concerned about China's worsening growth prospects. The currency fell even after the PBOC set a stronger fixing and the authorities issued more verbal warnings. The onshore yuan is the worst-performing Asian currency Monday. PBOC set the yuan reference rate at 6.9396 per dollar, 647 pips stronger than the average estimate of 7.0043 in a Bloomberg survey. The difference between fixing and survey estimate is widest on record since the survey started in 2018. The yuan will remain basically stable as pressures that led to short-term depreciation were already priced in. China's economy will grow 2.7% this year, lower than the prior forecast of 3%, according to estimates. Broad risk-off sentiment hit currencies including the yuan and euro while the dollar strengthened. The market consensus is definitely to be long USD, and despite the Chongqing lockdown headline looking a bit better, there is fundamentally still a lot of worry about the growth path. Given the weak domestic economy, dovish PBOC, still elevated CNY CFETS level and negative rate differentials, a weaker CNY is rational from an economics or monetary-policy point of view.

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

Nirmal Bang Securities - Bullion Technical Market Update

Gold Market Update

Market View	
Open	49257
High	49410
Low	49044
Close	49302
Value Change	-78
% Change	-0.16
Spread Near-Next	2999
Volume (Lots)	5380
Open Interest	8873
Change in OI (%)	-5.88%

Gold - Outlook for the Day

Gold prices are trading supportive around $ 1650-1655; where we can initiate long positions for the target of 1780-1700.

BUY GOLD OCT (MCX) AT 49250 SL 49000 TARGET 49600/49750

Silver Market Update

Market View	
Open	56864
High	57043
Low	56435
Close	56684
Value Change	-36
% Change	-0.06
Spread Near-Next	3316
Volume (Lots)	13983
Open Interest	18107
Change in OI (%)	1.96%

Silver - Outlook for the Day

Silver prices are taking support around $ 19.30-19.40; where you can go long for target of $ 19.70-19.90.

BUY SILVER DEC (MCX) AT 56500 SL 55900 TARGET 57200/57700

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Nirmal Bang Securities - Currency Technical Market Update

USDINR Market Update

Market View	
Open	79.8075
High	79.89
Low	79.645
Close	79.8225
Value Change	0.0025
% Change	0
Spread Near-Next	0.215
Volume (Lots)	1874277
Open Interest	3074920
Change in OI (%)	-0.75%

USDINR - Outlook for the Day

USDINR witnessed a weak open at 79.80 and witnessed a volatile session with flat closure in green. USDINR has formed a flat green with sideways closure indicating resistance at higher levels. The pair has given closure above the short and medium 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 positive zone with crossing their respective signal line thus indicating support in the pair.

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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