

Daily Bullion Physical Market Report

Date: 20th November 2023

Daily India Spot Market Rates

| Description | Purity | AM | PM |
|-------------|--------|-------|-------|
| Gold | 999 | 60978 | 61170 |
| Gold | 995 | 60734 | 60925 |
| Gold | 916 | 55856 | 56032 |
| Gold | 750 | 45734 | 45878 |
| Gold | 585 | 35672 | 35785 |
| Silver | 999 | 73210 | 73747 |

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

Gold and Silver 999 Watch

| Date | GOLD* | SILVER* |
|--------------------------------|-------|---------|
| 17 th November 2023 | 61170 | 73747 |
| 16 th November 2023 | 60505 | 72855 |
| 15 th November 2023 | 60618 | 72220 |
| 14 th November 2023 | 60071 | 69951 |

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

COMEX Futures Watch

| Description | Contract | Close | Change | %Chg |
|---------------|----------|---------|--------|------|
| Gold(\$/oz) | Dec 23 | 1984.70 | 23.00 | 1.17 |
| Silver(\$/oz) | Dec 23 | 24.20 | 0.40 | 1.68 |

ETF Holdings as on Previous Close

| ETFs | In Tonnes | Net Change |
|----------------|-----------|------------|
| SPDR Gold | 870.45 | 0.00 |
| iShares Silver | 13,652.46 | -56.98 |

Gold and Silver Fix

| Description | LTP |
|---------------------------|---------|
| Gold London AM Fix(\$/oz) | 1992.15 |
| Gold London PM Fix(\$/oz) | 1981.05 |
| Silver London Fix(\$/oz) | 24.00 |

Bullion Futures DGCX

| Description | Contract | LTP |
|---------------|----------|--------|
| Gold(\$/oz) | DEC. 23 | 1982.9 |
| Gold Quanto | DEC. 23 | 60733 |
| Silver(\$/oz) | DEC. 23 | 23.79 |

Gold Ratio

| Description | LTP |
|-------------------|-------|
| Gold Silver Ratio | 82.01 |
| Gold Crude Ratio | 26.15 |

Weekly CFTC Positions

| | Long | Short | Net |
|-------------|--------|-------|-------|
| Gold(\$/oz) | 154466 | 61806 | 92660 |
| Silver | 33184 | 23600 | 9584 |

MCX Indices

| Index | Close | Net Change | % Chg |
|---------------------|----------|------------|---------|
| MCX iCOMDEX Bullion | 16015.60 | -6.37 | -0.04 % |

Macro-Economic Indicators

| Time | Country | Event | Forecast | Previous | Impact |
|------------------------|---------------|----------------------|----------|----------|--------|
| 20th November 08:30 PM | United States | CB Leading Index m/m | -0.5% | -0.7% | Low |

Nirmal Bang Securities - Daily Bullion News and Summary

❖ Gold was on track for its first weekly gain in three weeks as recent US economic data fueled bets that interest rates around the world have peaked. A slew of economic data this week strengthened views that the Federal Reserve's most aggressive tightening campaign in decades has reached an end. The focus now is on the timing and pace of future rate cuts. Swap traders have raised expectations of rate cuts in 2024, with the first likely during the second quarter. Higher long-term interest rates are typically negative for non-yielding gold.

❖ Money managers have decreased their bullish gold bets by 12,576 net-long positions to 92,660, weekly CFTC data on futures and options show. The net-long position was the least bullish in three weeks. Long-only positions fell 6,143 lots to 154,466 in the week ending Nov. 14. The long-only total was the lowest in three weeks. Short-only positions rose 6,433 lots to 61,806. The short-only total was the highest in four weeks. Money managers have increased their bullish silver bets by 7,353 net-long positions to 9,584, weekly CFTC data on futures and options show. The net-long position was the most bullish in 10 weeks. Long-only positions rose 5,991 lots to 33,184 in the week ending Nov. 14. The long-only total was the highest in seven weeks. Short-only positions fell 1,362 lots to 23,600.

❖ Federal Reserve Bank of Boston President Susan Collins said policymakers should not take further tightening off the table despite welcome progress on inflation. "In order to get back down to 2% in a reasonable amount of time we need to be patient and resolute, and I wouldn't take additional firming off the table," Collins said Friday on CNBC. "We need to really stay the course." Late Friday, she told reporters that among the factors she's watching to determine whether further tightening would be needed are inflation expectations. Those are in a "reasonably well anchored" range now, but bear watching, she said. Policymakers are trying to decide if they need to raise interest rates further to ensure inflation will come down to 2% or if their previous moves, combined with a recent rise in long-term Treasury yields, will be sufficient. They left their benchmark rate steady this month in a target range of 5.25% to 5.5%, a 22-year high. An update to the consumer price index released Tuesday showed US inflation broadly slowed in October, which investors interpreted as a strong indication that the Fed is done hiking rates. "There has been some promising evidence of inflation coming down," Collins said. At the same time, core inflation, which excludes volatile food and energy costs, has run around 3.4% over the past three months, showing that "we have a ways to go." Collins said that while goods prices have moderated significantly and there's been "some" moderation in shelter costs, progress on prices of core services excluding housing hasn't been as great as she had hoped. The Boston Fed chief also said she is seeing some evidence that restrictive interest rates are helping to realign supply and demand in the economy. But she pointed out that long-term Treasury yields have come down a bit since the Fed's last policy meeting. Collins said that her "baseline" is that Fed policy will need to stay restrictive "for some time." "Data is so noisy right now, and the progress that we've seen has been pretty uneven," she said. "I think we're positioned to be patient."

❖ Federal Reserve vice Chair for Supervision Michael Barr said policymakers are likely at or near the end of their campaign to raise interest rates as inflation continues to cool, echoing remarks he made last month. "We're likely at or near the peak of where we need to be in terms of having a sufficiently restrictive stance of monetary policy that will sustainably bring inflation down to 2%," Barr said Friday during a moderated discussion with Bloomberg's Tracy Alloway and Joe Weisenthal, hosts of the Odd Lots podcast, at an event in New York hosted by The Clearing House. "I think the recent economic readings reinforce my view that that is probably correct," Barr said. He added that the risk of tightening policy too much had become more balanced with the risk of not doing enough to tame price pressures. Federal Reserve vice Chair for Supervision Michael Barr, right, during a moderated discussion with Bloomberg's Tracy Alloway, center, and Joe Weisenthal on Friday. Investors expect the Fed is finished with its rate-hiking campaign and will hold rates steady in a range of 5.25% to 5.5% when officials meet next month, amid recent reports showing inflation and some economic activity is cooling. Fed Chair Jerome Powell and his colleagues have said the US central bank can proceed carefully as officials assess the evolving outlook, suggesting policymakers aren't inclined to raise rates in December. In the wide-ranging interview Barr also said that he supports a Securities and Exchange Commission plan to expand central clearing for Treasuries.

❖ Europe's sputtering economy is causing traders to bet on a faster pace of interest rate cuts next year. For the first time, money markets have priced in a full percentage point of interest-rate cuts in 2024. Just two months ago, the expectation was that the European Central Bank would deliver a 75 basis-point decrease, according to swaps pricing tied to central bank meeting dates. Bets on similar easing by the Bank of England accelerated Friday after weaker-than-forecast UK retail sale numbers. Traders are also anticipating 100 basis points of cuts by the Federal Reserve next year, with signs of cooling US price pressures on show this week. Plus, oil's descent into a bear market has reignited worries about a recession. ECB policymakers have begun to debate the timing of potential rate cuts, though that discussion has incited some pushback. Greek central bank Governor Yannis Stournaras has said that officials could consider easing in the second half of 2024, while his German colleague, Joachim Nagel, has vehemently pushed back on that prospect. "I don't like this discussion going on about when will be the point you lower interest rates," the Bundesbank president said last week. "This discussion is not helpful it is much, much too early." Nagel is scheduled to speak again later on Friday. For her part, ECB President Christine Lagarde said last week that any such reduction isn't going to happen "in the next couple of quarters," adding that "long enough is long enough." She omitted the topic from a speech in Frankfurt on Friday. As evidence builds that an aggressive string of rate hikes is starting to take a toll on the economy, it's becoming harder to convince the market to follow the mantra of "higher for longer." Germany's 10-year yield has fallen almost 20 basis points this week to about 2.55% and the Stoxx 600 Index touched a one-month high on Friday.

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 higher for the day; as gold prices edged lower; this comes after a weekly gain of over 2% and ahead of a US government bond auction that may have an influence on the precious metal's trajectory.

Key Market Levels for the Day

| Time | Month | S3 | S2 | S1 | R1 | R2 | R3 |
|----------------|-------|-------|-------|-------|-------|-------|-------|
| Gold – COMEX | Dec | 1948 | 1967 | 1984 | 1990 | 2005 | 2020 |
| Silver – COMEX | Dec | 23.55 | 23.80 | 24.00 | 24.25 | 24.45 | 24.70 |
| Gold – MCX | Dec | 60300 | 60550 | 60750 | 61000 | 61200 | 61500 |
| Silver – MCX | Dec | 71800 | 72400 | 73000 | 73600 | 74300 | 74800 |

Nirmal Bang Securities - Daily Currency Market Update

Dollar Index

| LTP/Close | Change | % Change |
|-----------|--------|----------|
| 103.92 | -0.05 | -0.04 |

Bond Yield

| 10 YR Bonds | LTP | Change |
|---------------|--------|---------|
| United States | 4.4354 | -0.0001 |
| Europe | 2.5860 | -0.0020 |
| Japan | 0.7560 | -0.0350 |
| India | 7.2160 | -0.0180 |

Emerging Market Currency

| Currency | LTP | Change |
|-----------------|---------|---------|
| Brazil Real | 4.9098 | 0.0413 |
| South Korea Won | 1296.75 | -0.1500 |
| Russia Rubble | 89.508 | 0.2367 |
| Chinese Yuan | 7.2143 | -0.0284 |
| Vietnam Dong | 24271 | -22 |
| Mexican Peso | 17.2319 | 0.0039 |

NSE Currency Market Watch

| Currency | LTP | Change |
|----------|----------|--------|
| NDF | 83.29 | 0.05 |
| USDINR | 83.265 | 0.025 |
| JPYINR | 55.8575 | 0.6725 |
| GBPINR | 103.4825 | 0.2225 |
| EURINR | 90.51 | 0.1675 |
| USDJPY | 149.04 | -1.72 |
| GBPUSD | 1.2426 | 0.0181 |
| EURUSD | 1.0873 | 0.0017 |

Market Summary and News

❖ The dollar erased its advance this year and is on pace to post its worst weekly decline since July on expectations Fed rates have peaked and hopes for improvement in US-China relations. The greenback fell against all its G-10 peers Friday. The Norwegian krone led currency gainers amid a sharp rebound in crude. The Bloomberg Dollar Spot Index falls 0.4% Friday and is set to close below its 100-DMA for the first time August; the index's weekly drop is 1.6%. Scandinavian currencies outperform on the week. The 10-year Treasury yield eased 1 basis point to 4.43% as curve flattens. Higher Treasury 2-year yield comes amid Fed comments, a 4% rise in WTI crude oil and after US housing starts topped estimates. Fed's Barr said policymakers are likely at or near the end of their campaign to raise rates as inflation continues to cool, echoing remarks he made last month. Fed's Collins said policymakers shouldn't take further tightening off the table despite progress on inflation. Offshore yuan touches a three-month high after Chinese President Xi Jinping pledged to make it easier for foreigners to do business in his country. USD/JPY drops as much as 1% to 149.20, the lowest since October; it's down 1.2% this week, the most in four months on a closing basis. Yen gains come amid real money and option-related buying on spots dip below 150, according to traders; one-month risk reversals, which include the Dec. FOMC meeting, widen to 0.97% in favor of calls, most dollar bearish in two weeks. Bank of Japan Governor Kazuo Ueda said that there are both positives and negatives to the weak yen's impact, suggesting he's determined to keep stimulus unchanged for now despite heightened concerns over the yen. MUFG opens a short USD/JPY trade at 149.60, targeting 143.00 (estimated fair value) with a stop-loss at 152.10. GBP/USD is up 0.3% at 1.2454; it advanced this week by 1.8%. EUR/USD climbs to a 10-week high of 1.0905; it's up ~2% for the week, the most since July on a closing basis, after holding above its 100-week moving average at 1.0670. Money markets have priced in a full percentage point of interest-rate cuts for next year. The European Central Bank shouldn't disregard any prospective spike in energy costs and would probably have to respond with higher interest rates, according to Governing Council member Pierre Wunsch. USD/CHF drops 0.3% to a 10-week low amid solid interbank flows around the London fix; 100-DMA of 0.8899 caps pair.

❖ Developing-nation currencies rallied for a fourth session on Friday, posting the biggest weekly increase since July 14 on bets that the Federal Reserve will end its hiking cycle. Equities trimmed their weekly gains, while investors wait for Argentina's runoff vote on Sunday. The Thai baht was the best performer among 23 EM currencies tracked by Bloomberg, while Latin American currencies lagged, led by losses in the Brazilian real. EM stocks fell for a second day, but were still up 3% this week. Alibaba slumped 10%, the most since October 2022, after the Chinese e-commerce giant scrapped a plan to carve out its cloud unit, citing US restrictions on the export of cutting-edge chips. Morgan Stanley expects Latin American stocks to rally 18% by the end of 2024; the bank is favoring Mexico and Brazil amid near shoring trend and global demand for key agricultural exports. The \$55 million Global X MSCI Argentina ETF climbs to the highest in a month ahead of a runoff that pits Economy Minister Sergio Massa against outsider Javier Milei.

❖ Indian government bonds log their best week in six months amid bets the Federal Reserve is done raising rates. The rupee gains for the first week in four. 10-year yields down 2bps to 7.22% on Friday; down 8bps this week. India sells 300b rupees of bonds as planned: RBI statement. With US bonds continuing to rally, Indian bonds too broke the sideways market of last few days, says Gopal Tripathi, president and head of debt capital at Jana Small Finance Bank. Aggressive auction cutoffs pulled down the yield briefly below 7.20%, but then profit booking kicked in. Expect rates to drift lower gradually with softer crude prices and supportive US rates. USD/INR little changed at 83.27; down 0.1% this week.

Key Market Levels for the Day

| | S3 | S2 | S1 | R1 | R2 | R3 |
|-------------|---------|---------|---------|---------|---------|---------|
| USDINR Spot | 83.0075 | 83.0975 | 83.1750 | 83.2825 | 82.3825 | 83.4850 |

Nirmal Bang Securities - Bullion Technical Market Update

Gold Market Update



| Market View | |
|------------------|--------|
| Open | 60686 |
| High | 61000 |
| Low | 60633 |
| Close | 60713 |
| Value Change | -9 |
| % Change | -0.01 |
| Spread Near-Next | 385 |
| Volume (Lots) | 4101 |
| Open Interest | 8111 |
| Change in OI (%) | -6.14% |

Gold - Outlook for the Day

BUY GOLD DEC (MCX) AT 60750 SL 60550 TARGET 61000/61200

Silver Market Update



| Market View | |
|------------------|--------|
| Open | 73343 |
| High | 74000 |
| Low | 72894 |
| Close | 73140 |
| Value Change | -220 |
| % Change | -0.3 |
| Spread Near-Next | 1554 |
| Volume (Lots) | 21942 |
| Open Interest | 15902 |
| Change in OI (%) | -6.21% |

Silver - Outlook for the Day

BUY SILVER DEC (MCX) AT 72800 SL 72000 TARGET 74000/74500

Nirmal Bang Securities - Currency Technical Market Update

USDINR Market Update



Market View

| | |
|------------------|---------|
| Open | 83.2275 |
| High | 83.295 |
| Low | 83.2275 |
| Close | 83.265 |
| Value Change | 0.025 |
| % Change | 0.03 |
| Spread Near-Next | -0.0322 |
| Volume (Lots) | 1513116 |
| Open Interest | 4824450 |
| Change in OI (%) | -6.57% |

USDINR - Outlook for the Day

The USDINR future witnessed a flat opening at 83.22, which was followed by a session that showed buying from lower level with candle closures near the high. A green candle formed for the USDINR price as it close below 20-days moving average placed at 83.26; the short-term moving averages given negative cross-over. On the daily chart, the momentum indicator RSI straggling between 43-53 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 83.18 and 83.32.

Key Market Levels for the Day

| | S3 | S2 | S1 | R1 | R2 | R3 |
|-----------------|---------|---------|---------|---------|---------|---------|
| USDINR November | 82.9750 | 83.0725 | 83.1750 | 83.3375 | 83.4025 | 83.4750 |

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