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India Bullion and Jewellers Associations Ltd. Since 1919

India Bullion And Jewellers Association Ltd. Celebrating 104 Years 1919 - 2023

Daily Bullion Physical Market Report

Date: 22nd May 2023

Daily India Spot Market Rates

Description	Purity	AM	PM
Gold	999	60302	60275
Gold	995	60061	60034
Gold	916	55237	55212
Gold	750	45227	45206
Gold	585	35277	35261
Silver	999	71834	71784

*Rate as exclusive of GST as of 19th May 2023 Gold is Rs/10 Gm & Silver in Rs/Kg

Gold and Silver 999 Watch

Date	GOLD*	SILVER*
19th May 2023	60275	71784
18th May 2023	60474	71496
17th May 2023	60646	71808
16th May 2023	61066	71930

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

COMEX Futures Watch

Description	Contract	Close	Change	%Chg
Gold($/oz)	AUG 23	2000.30	-25.40	-1.27
Silver($/oz)	JUL 23	24.06	-0.26	-1.10

ETF Holdings as on Previous Close

ETFs	Long	Short
SPDR Gold	936.96	0.00
iShares Silver	14,572.91	0.00

Gold and Silver Fix

Description	LTP
Gold London AM Fix($/oz)	1965.55
Gold London PM Fix($/oz)	1961.60
Silver London Fix($/oz)	23.66

Bullion Futures DGCX

Description	Contract	LTP
Gold($/oz)	JUN. 23	1977.1
Gold Quanto	JUN. 23	60399
Silver($/oz)	MAY. 23	23.99

Gold Ratio

Description	LTP
Gold Silver Ratio	83.14
Gold Crude Ratio	27.96

Weekly CFTC Positions

	Long	Short	Net
Gold($/oz)	162666	30877	131789
Silver	45779	32336	13443

MCX Indices

Index	Close	Net Change	% Chg
MCX iCOMDEX Bullion	16125.17	199.01	1.23 %

Macro-Economic Indicators

Time	Country	Event	Forecast	Previous	Impact
22nd May 06:00 PM	United States	No DATA	-	-	Low

Nirmal Bang Securities - Daily Bullion News and Summary

❖ Gold trimmed its biggest weekly slump since early February as US debt-ceiling talks reach a stalemate, boosting demand for the haven. House Speaker Kevin McCarthy's top debt-ceiling negotiators abruptly left a closed-door meeting with White House representatives soon after it began Friday morning. Federal Reserve chair Jerome Powell said the US central bank may not have to raise its policy rate as much as it would have to otherwise if tighter credit conditions weigh on growth. The dollar extended its decline while Treasury yields pared gains in response. That saw bullion rise as much as 1%, trimming the weekly decline to 1.8%. "Gold is getting a trifecta of bullish catalysts," said Ed Moya, senior market analyst at Oanda. "Debt ceiling talks hit a wall, Powell signals rates may not need to rise as high, and Treasury Secretary Yellen reminds us that the banking crisis is far from over and that more mergers may be needed." US Treasury Secretary Janet Yellen told CEOs of large banks more bank mergers may be necessary at a Thursday meeting, CNN reports, citing two unidentified people familiar with the matter. Spot gold rose 0.9% to $1,975.15 at 11:32 a.m. in New York, still heading for its worst week since early February.

❖ With hopes high that the debt-ceiling standoff is in the rear-view mirror, gold is going to have to rely on some of its biggest fans. Central banks accounted for roughly a quarter of all gold demand in 2022, buying a vast amount last year after the White House sanctioned Russia's FX reserves. Their purchases, which tend to pick up around bullion's dips, helped underpin the market as investors sold up in the face of Fed hikes. That's resulted in gold trading at a persistently large premium to modeled prices, which provided a high base for its spring rally to near a record. In the meantime, central banks have slowed their bullion buying down significantly, begging the question: are they sated or is their gold splurge just getting started? The yellow metal is currently sitting just above a key support around $1,950 an ounce, and some of its key bull factors (debt ceiling, Fed pivot, banking turmoil) are starting to fade, leaving it vulnerable to a rapid return to fair value if investors start selling. If central banks don't take a cue from the latest pullback and ramp up their buying again, gold could be in for a bumpy ride lower.

❖ The US has sanctioned some of Russia's biggest gold miners, as it imposes fresh penalties on the country's metals and mining sector. Polyus PJSC, the country's No. 1 gold miner, and Polymetal JSC, the Russian unit of Polymetal International Plc, were targeted, according to a statement Friday from the US Department of the Treasury's Office of Foreign Assets Control. Share and debt holders of Polyus, along with the company's counterparties, have until Aug. 17 to sell their assets and wind down their operations. Gold from Russia, the world's second-biggest producer, became taboo after the invasion of Ukraine, and imports were blocked by Group of Seven nations and European Union last summer. That forced Russian miners to re-direct supplies to places like the United Arab Emirates, Hong Kong and Turkey, where there are no restrictions. Sanctions against the companies are likely to deter some of customers in those countries. The OFAC sanctions were also extended to Polyus's major units, Chief Executive Officer Alexei Vostokov, some other top managers and former CEO Pavel Grachev. Earlier on Friday, the UK and Australia became the first countries to sanction Polyus. Polyus was long controlled by the family of sanctioned billionaire Suleiman Kerimov. Just months after Russia invaded Ukraine, Said Kerimov — son of the billionaire and also under penalties now — gave his 46.35% stake in Polyus to the Fund for Support of Islamic Foundations in Russia. Separately, the OFAC also sanctioned Sergey Malyshev, chief financial officer of Russia's biggest miner MMC Norilsk Nickel PJSC. The miner itself is free of penalties, even after its billionaire CEO Vladimir Potanin was sanctioned in December.

❖ Federal Reserve Chair Jerome Powell gave a clear signal he is inclined to pause interest-rate increases next month, taking command of the policy debate after several officials suggested they wanted to keep hiking. Federal Reserve Chair Jerome Powell says the US banking system is strong and continued supply shocks are possible during a panel discussion at the Thomas Laubach Research Conference in Washington. "We've come a long way in policy tightening and the stance of policy is restrictive and we face uncertainty about the lagged effects of our tightening so far and about the extent of credit tightening from recent banking stresses," Powell told a Fed conference Friday in Washington. "Having come this far, we can afford to look at the data and the evolving outlook to make careful assessments," he said, reading from prepared notes. Investors pared bets on a rate hike next month to around 13% after Powell's comments compared with 33% before he spoke. Powell's remarks reinforce similar guidance this week from other members of his leadership team, including New York Fed President John Williams and Governor Philip Jefferson, recently nominated as vice chair pending Senate confirmation. "His comments indicate his baseline view is to pause in June to assess incoming data," said Kathy Bostjancic, chief economist at Nationwide Life Insurance Co. But she cautioned that if economic data before the next meeting, including a fresh reading on consumer prices, come in above expectations, the Fed chair could still lead a hike because "the guidance he is offering is limited." Officials raised rates by a quarter percentage point earlier this month to a target range of 5% to 5.25% and signaled they could hold rates steady when they next meet June 13-14. The US central bank has increased interest rates 5 percentage points in little more than a year, undertaking its most aggressive tightening campaign in decades to quell high inflation.

❖ Debt-limit negotiations hit an impasse Friday as House Speaker Kevin McCarthy blamed the White House for resisting spending cuts, casting doubt on efforts in Washington to avert a catastrophic default. McCarthy spoke shortly after his hand-picked negotiators abruptly walked out of talks with White House officials, a reversal from the Republican leader's optimistic view that an deal could be reached as soon as the weekend. The setback weighed on Wall Street where shares slid on the news. "We've got to get movement by the White House and we don't have any movement," McCarthy, who was not in the meeting, said. "So yeah, we've got to pause." There was not a dramatic flare-up in the room before negotiators left, according to one person familiar with the negotiations. Another person familiar with the talks said it wasn't a specific issue but ranged broadly across GOP budget-cutting demands. "Look, they're just unreasonable," said Representative Garret Graves, one of the Republican negotiators, moments after he walked out of the session. Graves' comments came a day after McCarthy said he could see a deal coming together with a House vote next week. McCarthy's uncharacteristically upbeat comments Thursday on the prospects for an agreement on the US borrowing limit sent stocks upward, with the S&P 500 hitting a nine-month high, closing just shy of 4,200. Treasury Secretary Janet Yellen has signaled a default could become a risk as soon as June 1. But news of the breakdown on Friday triggered a slump in stocks, with the S&P 500 at one point losing almost 0.8% from its high of Friday's session, though the decline moderated later. The index closed down 0.1%. Yields on US Treasury bills that mature in early June resumed climbing Friday, showcasing concerns about potential payment-default risks.

❖ **Fundamental Outlook:** Gold and silver prices are trading mix today on international bourses. We expect precious metals prices on Indian bourses to trade higher for the day. We recommend buy on dips in gold and silver in intra-day trading sessions, as traders weighed comments from US Federal Reserve Chair Jerome Powell, who on Friday suggested the central bank will pause interest-rate increases next month.

Key Market Levels for the Day

Time	Month	S3	S2	S1	R1	R2	R3
Gold – COMEX	July	1930	1945	1960	1990	2020	2045
Silver – COMEX	Aug	23.10	23.45	23.70	23.95	24.10	24.40
Gold – MCX	June	59750	60000	60250	60450	60650	60850
Silver – MCX	July	71500	72000	72600	73000	73600	73900

Nirmal Bang Securities - Daily Currency Market Update

Dollar Index

LTP/Close	Change	% Change
103.20	0.70	0.68

Bond Yield

10 YR Bonds	LTP	Change
United States	3.6726	0.0269
Europe	2.4250	-0.0180
Japan	0.3980	0.0160
India	7.0090	0.0220

Emerging Market Currency

Currency	LTP	Change
Brazil Real	4.9982	0.0329
South Korea Won	1326.6	-7.4500
Russia Rubble	80.3195	-0.0708
Chinese Yuan	7.012	-0.0255
Vietnam Dong	23469	9
Mexican Peso	17.7859	0.0675

NSE Currency Market Watch

Currency	LTP	Change
NDF	82.93	0.11
USDINR	82.745	0.1475
JPYINR	59.92	-0.14
GBPINR	102.835	0.145
EURINR	89.36	0.0075
USDJPY	138.05	0.57
GBPUSD	1.2431	-0.0004
EURUSD	1.0816	-0.0018

Market Summary and News

❖ Indian bonds reversed early gains after the central bank announced a smaller dividend payment to the government, lower than what traders expected. The rupee logs its worst week in two months. Benchmark 10-year government bond yields climbed 2bps to 7.01%, from an intraday low of 6.97%. 5-year yields advanced by as much as 3bps to 6.95%; USD/INR rises 0.1% to 82.6650; up 0.6% this week, matching a similar rise in week ended March 17. India's central bank will give 874.2 billion rupees ($10.6 billion) to the government as dividend, beating finance ministry's estimate, as likely revaluation gains and profits from dollar sales boosted its earnings. Analysts polled by Bloomberg estimated a payout of about 900 billion rupees, while the government had budgeted for 480 billion rupees from the RBI and state-owned banks as dividend; "The market had factored in a dividend payment of about 1 trillion rupees, since this is lower, there's a a small selloff in 10-year bonds after the recent rally," said Arun Srinivasan, head of fixed income at ICICI Prudential Life. "We were expecting anything between 800b-950b rupees," says Madhavi Arora, lead economist at Emkay Global Financial Services. The fact that they have increased the contingency buffer as a percentage of a balance sheet from 5.5 to 6% probably has led to it remaining at the lower band of our expectation. A 330b rupees sale of government bonds was fully sold. RBI adds 467.9b rupees via 14-day repo on Friday; cutoff rate is 6.51%. India's long-term foreign currency debt rating was affirmed by S&P at BBB-, the lowest investment grade score.

❖ The dollar declined for the first time in four days, paring its weekly advance as Fed Chair Jerome Powell offered a clear signal of a June rate pause. Kiwi and haven currencies led gains among G-10 peers as US debt-ceiling talks hit an impasse. The Bloomberg Dollar Spot Index fell 0.3% on Friday, but was still up 0.4% on the week, on course for a second straight week of advances. Powell said policymakers can now "afford to look at the data and the evolving outlook to make careful assessments." A Fed hike in June would upend risk assets and worsen already-tight financing conditions, according to a Barclays note Friday. "We've got to pause," US House Speaker Kevin McCarthy said, noting the lack of "any movement" from the White House; Treasury yields climbed across the curve. USD/JPY fell as much as 0.9% to session low of 137.43 before trimming its decline; the pair is poised for its first drop in seven days. EUR/USD rose 0.36% to 1.0809, trading back and forth around 100-DMA at 1.0808. he European Central Bank is at a key juncture because it needs to keep persevering with its monetary policy just as consumer-price growth shows signs of slowing, President Christine Lagarde said. "Now is a moment which is also quite critical because inflation is beginning to go down," she said in an interview with Spanish state-run channel TVE broadcast Friday. "We are beginning to see efficiency of measures, but we still need to have high and sustainably high interest rates"gbp. GBP/USD gained 0.3% tp 1.2450; traders look ahead to UK inflation data next week for signs of cooling price pressures. Inflation that is expected to cool significantly, signs of weakness in the UK jobs market and a decline in global growth expectations make the pound primed for a fall against the dollar, according to Nomura strategist Jordan Rochester. USD/CHF dropped 0.6% to 0.8999, down for the first time in four days. AUD/USD rose 0.4% to 0.6651; NZD/USD climbed 0.9% to 0.6281, Friday's biggest gainer across major currencies. The Australian dollar strengthened as leveraged funds trimmed short positions before the weekend, given the chance of a debt-ceiling deal, according to an Asia-based FX trader.

❖ MSCI's emerging-market currency index rose Friday as Federal Reserve Chair Jerome Powell gave a clear signal that he is inclined to pause interest-rate hikes in June. The gauge, which has dropped the past three sessions, is headed for its largest daily advance in more than two weeks. Powell said the Fed may not have to raise its policy rate as much as it would have to otherwise if tighter credit conditions weigh on growth. Investors also continue to watch developments around the US debt ceiling. The South Korean won was among the top advancers Friday; the Hungarian forint and the Polish zloty also climbed. The yuan strengthened after the People's Bank of China said it will curb speculation in the forex market when necessary. NOTE: The Chinese currency has a 30% weight in the MSCI currency index. The South African rand and the Brazilian real were among the worst performers of the session. Brazil's real weakened as traders report outflows tied to Petrobras dividend payments. The rand slumped to a record low of 19.5247/USD earlier in the session and is headed for a fifth weekly drop versus the dollar, its longest losing streak since February. S&P is scheduled to publish a credit assessment of South Africa later Friday.

Key Market Levels for the Day

	S3	S2	S1	R1	R2	R3
USDINR Spot	82.5075	82.6075	82.7050	82.9025	83.0225	83.1250

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Nirmal Bang Securities - Bullion Technical Market Update

Gold Market Update

Market View	
Open	59766
High	60490
Low	59721
Close	60379
Value Change	656
% Change	1.1
Spread Near-Next	374
Volume (Lots)	8226
Open Interest	9909
Change in OI (%)	-8.48%

Gold - Outlook for the Day

After a Sharp fall in gold comex prices supported at lower levels and bounced back to 1980. We are recommending to go long for a pullback till 2000.

BUY GOLD JUNE (MCX) AT 60200 SL 59950 TARGET 60600/60700

Silver Market Update

Market View	
Open	72336
High	73657
Low	72191
Close	73321
Value Change	1178
% Change	1.63
Spread Near-Next	0
Volume (Lots)	19667
Open Interest	14695
Change in OI (%)	1.12%

Silver - Outlook for the Day

Silver looks to take a pullback till $ 24.80-24.90. We are recommending going long between $ 23.60-23.40 for the target of $ 24.00-24.20.

BUY SILVER JULY (MCX) AT 72900 SL 72300 TARGET 73800

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Nirmal Bang Securities - Currency Technical Market Update

USDINR Market Update

Market View	
Open	82.65
High	82.8175
Low	82.6425
Close	82.745
Value Change	0.1475
% Change	0.18
Spread Near-Next	0
Volume (Lots)	2567385
Open Interest	3291675
Change in OI (%)	3.29%

USDINR - Outlook for the Day

USDINR had a gap- up open at 82.65 followed by a session and continued with strong buying marking high at 82.81 with closure previous day high. The pair has closed above 7 weeks high and form strong green candle. The pair has given crossover of short-term moving averages. Positive indication is shown on the daily chart by the momentum indicator RSI 70 level, MACD given crossover below zero-line. We are anticipating USDINR May futures to trade in the range of 82.70–82.95 for today.

Key Market Levels for the Day

	S3	S2	S1	R1	R2	R3
USDINR May	82.4550	82.5425	82.6450	82.8675	82.9725	83.0850

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