



**Daily Bullion Physical Market Report**

**Date: 23<sup>rd</sup> May 2023**

**Daily India Spot Market Rates**

Description	Purity	AM	PM
Gold	999	60760	60829
Gold	995	60517	60585
Gold	916	55656	55719
Gold	750	45570	45622
Gold	585	35545	35585
Silver	999	72095	72521

\*Rate as exclusive of GST as of 22<sup>nd</sup> May 2023 Gold is Rs/10 Gm & Silver in Rs/Kg

**Gold and Silver 999 Watch**

Date	GOLD*	SILVER*
22 <sup>nd</sup> May 2023	60829	72521
19 <sup>th</sup> May 2023	60275	71784
18 <sup>th</sup> May 2023	60474	71496
17 <sup>th</sup> May 2023	60646	71808

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

**COMEX Futures Watch**

Description	Contract	Close	Change	%Chg
Gold(\$/oz)	AUG 23	1995.70	-4.60	-0.23
Silver(\$/oz)	JUL 23	23.86	-0.20	-0.83

**ETF Holdings as on Previous Close**

ETFs	Long	Short
SPDR Gold	942.74	5.78
iShares Silver	14,572.91	0.00

**Gold and Silver Fix**

Description	LTP
Gold London AM Fix(\$/oz)	1981.20
Gold London PM Fix(\$/oz)	1970.30
Silver London Fix(\$/oz)	23.85

**Bullion Futures DGCX**

Description	Contract	LTP
Gold(\$/oz)	JUN. 23	1974.9
Gold Quanto	JUN. 23	60261
Silver(\$/oz)	MAY. 23	23.80

**Gold Ratio**

Description	LTP
Gold Silver Ratio	83.64
Gold Crude Ratio	27.70

**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	16324.18	-61.18	-0.37 %

**Macro-Economic Indicators**

Time	Country	Event	Forecast	Previous	Impact
23rd May 06:30 PM	United States	FOMC Member Logan Speaks	-	-	Low
23rd May 07:15 PM	United States	Flash Manufacturing PMI	50.0	50.2	High
23rd May 07:15 PM	United States	Flash Services PMI	52.6	53.6	High
23rd May 07:30 PM	United States	New Home Sales	665 K	683 K	Medium
23rd May 07:30 PM	United States	Richmond Manufacturing Index	-8	-10	Medium



## Nirmal Bang Securities - Daily Bullion News and Summary

❖ Gold slipped as investors weighed signs that policymakers may be nearing a solution to the US debt-ceiling standoff and comments from Federal Reserve officials. Republican and Democrat negotiators resumed discussions in Washington ahead of a meeting later Monday between President Joe Biden and House Speaker Kevin McCarthy. The two spoke Sunday and Biden told reporters “it went well.” Still, Treasury Secretary Janet Yellen expressed doubt over whether the US would be able to pay all of its bills by mid-June. Federal Reserve Bank of St. Louis President James Bullard backed two more 2023 interest-rate increases and his Minneapolis colleague Neel Kashkari said if the central bank pauses next month it should signal tightening isn’t over.

❖ Sudan’s official gold industry, the country’s largest revenue earner, has totally collapsed due to a spiraling month-old conflict in the North African nation, the head of the state-run mining company said. Mubarak Ardol, general director of the Sudanese Mineral Resources Limited Co., said exports have ground to a halt, processing equipment has been damaged and the headquarters of several gold companies have been looted in the capital, Khartoum. Sudan officially exported 34.5 tons of gold worth over \$2 billion last year. But Ardol said it’s doubtful “even an ounce” has left the country since fighting between Sudan’s army and the paramilitary Rapid Support Forces broke out on April 15. More than 600 people have died and thousands more have been injured since, according to the World Health Organization. Morocco’s most valuable metal miner, Managem, has halted production at its northeastern Wadi Gabgaba gold mine and also repatriated its workers, local media outlet Medias24 reported. The stock of the company fell by as much as 13.7% after the start of the violence, although it later recouped some of those losses. Although both warring parties signed an agreement to protect civilians and facilitate the delivery of humanitarian aid last week in Jeddah, Saudi Arabia, fighting has continued to rage, according to interviews with residents and internal UN security documents seen by Bloomberg.

❖ Amid the Federal Reserve’s debate about whether to halt rate increases at the June meeting, investors are looking out further and boosting bets on a rate hike in July. Hawkish rhetoric from some Fed members has spurred market participants to start focusing their attention on the July FOMC meeting. Federal Reserve Bank of St. Louis President James Bullard said Monday that he backed two more increases, and his Minneapolis colleague Neel Kashkari said if the central bank does pause, it shouldn’t signal tightening is over. Investors are pricing in a 46% probability of a 25bps increase at July’s rate decision compared to 28% for June. Just a week ago, markets saw a zero chance of a rate increase in July.

❖ Two Federal Reserve hawks saw the need to raise interest rates further this year, days after Chair Jerome Powell signaled a pause in June, while two other officials voiced support for patience. Federal Reserve Bank of St. Louis President James Bullard said Monday that he backed two more increases and his Minneapolis colleague Neel Kashkari said if the central bank does pause, it should signal tightening isn’t over. Their comments — while not explicitly pushing back against holding fire at the Federal Open Market Committee’s June 13-14 meeting — bolster the case aired by other officials that they might skip a move next month, while keeping the door open to hiking further if needed to quell inflation. “I think we’re going to have to grind higher with the policy rate in order to put enough downward pressure on inflation and to return inflation to target in a timely manner,” Bullard told an American Gas Association financial forum in Fort Lauderdale, Florida. “I’m thinking two more moves this year — exactly where those would be this year I don’t know — but I’ve often advocated sooner rather than later,” he said. Bullard is a closely watched hawk who was an early advocate for aggressive rate hikes before the central bank began lifting borrowing costs last year. He does not vote on the FOMC in 2023. Investors moved up bets on a rate hike next month to 30% from around 22% before Bullard spoke, according to pricing in futures contracts. Officials have raised rates by 5 percentage points in the past 14 months to curb inflation running more than double their 2% target.

❖ Exchange-traded funds cut 8,528 troy ounces of gold from their holdings in the last trading session, bringing this year’s net purchases to 109,681 ounces, according to data compiled by Bloomberg. This was the sixth straight day of declines, the longest losing streak since March 7. The sales were equivalent to \$16.9 million at the previous spot price. Total gold held by ETFs rose 0.1 percent this year to 93.9 million ounces. State Street’s SPDR Gold Shares, the biggest precious-metals ETF, boosted its holdings by 185,800 ounces in the last session. The fund’s total of 30.3 million ounces has a market value of \$59.9 billion. ETFs also cut 75,797 troy ounces of silver from their holdings in the last trading session, bringing this year’s net purchases to 2.46 million ounces.

❖ **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 prices held Monday’s loss, with the precious metal pressured by rising Treasury yields as traders focused on positive commentary from policymakers over the status of the US debt-ceiling standoff.

### 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	59550	59750	60000	60250	60450	60650
Silver – MCX	July	71500	72000	72600	73000	73600	73900





## Nirmal Bang Securities - Daily Currency Market Update

### Dollar Index

LTP/Close	Change	% Change
103.20	0.00	0.00

### Bond Yield

10 YR Bonds	LTP	Change
United States	3.7148	0.0422
Europe	2.4570	0.0320
Japan	0.3930	-0.0050
India	6.9860	-0.0220

### Emerging Market Currency

Currency	LTP	Change
Brazil Real	4.9678	-0.0304
South Korea Won	1318.25	-8.3500
Russia Rubble	80.4424	0.1229
Chinese Yuan	7.032	0.02
Vietnam Dong	23442	-27
Mexican Peso	17.8983	0.1124

### NSE Currency Market Watch

Currency	LTP	Change
NDF	82.94	0.03
USDINR	82.8675	0.1225
JPYINR	60.135	0.215
GBPINR	103.185	0.35
EURINR	89.6825	0.3225
USDJPY	137.79	-0.26
GBPUSD	1.2452	0.0021
EURUSD	1.0841	0.0025

### Market Summary and News

❖ Shorter Indian bonds rallied the most since April after the central bank's decision to withdraw the highest value — 2000 rupee (\$24) — note from circulation last Friday. The rupee fell. 5-year yields tumbled 8 bps to 6.87%; 10-year yields fell 2bps to 6.99%. "The rally is more at the short end because it depends how long the liquidity stays," says Rajeev Pawar, head of treasury at Ujivan Small Finance Bank. "For 5-year and shorter tenor the rally seems sustainable as of now unless RBI comes in and starts taking liquidity out." Shorter end yields can decline a further 10bps or so. "We will get an idea over the course of this week how much liquidity comes to banks." People have until Sept. 30 to deposit 2,000 rupee notes into their bank accounts or exchange them for other denominations, the Reserve Bank of India said in a statement Friday. "The withdrawal of the 2,000 note should provide respite to the banking system liquidity," says Upasna Bhardwaj, economist at Kotak Mahindra Bank. "Even if partial exchange was to happen for smaller denominations, some amount of idle notes will be parked with the banks. This should ease the money market rates in the near term." USD/INR gained 0.2% to 82.83.

❖ A Bloomberg gauge of the greenback reversed earlier losses, climbing to a daily high during New York session after two Fed hawks said more tightening may be needed to quell price pressure. Traders await a meeting between President Biden and House Speaker McCarthy at 5:30pm to resolve a debt-ceiling impasse. The Bloomberg Dollar Spot Index +0.12%; St. Louis Fed President James Bullard backed two more 2023 rate hikes and his Minneapolis colleague Neel Kashkari said June rate decision is a close call. If the central bank pauses next month it should signal tightening isn't over: Kashkari. US Treasury yields jumped across the curve, with two-year tenor climbing 5.6bps, up for a seventh day. House Speaker Kevin McCarthy said debt-limit discussions Monday morning with White House negotiators were productive, yet the two parties must strike a debt deal this week to avoid a US default that could happen as soon as June 1. "The dollar is still hostage to the US debt-ceiling problem," said Steven Barrow, head of G-10 strategy at Standard Bank. "However, the implications for the dollar appear asymmetric as a shock default could collapse the dollar, but a solution to the crisis may not produce much upside," he added. Swiss franc outperformed G-10 currency peers; USD/CHF fell 0.2% to 0.8978. USD/JPY rose 0.38% to 138.51 vs 2023 high at 138.75. Yen also weakened vs the euro and Swiss franc as yield spreads reached multi-decade highs. EUR/USD gained 0.08% to 1.0814 vs 100-DMA at 1.0809. Euro initially bounced off recent low following a market-friendly election outcome in Greece, an upgrade for Ireland's government debt and the prospect of further interest-rate hikes; the common currency pared gains in New York morning hours after remarks from Fed officials.

❖ South Africa's rand, Poland's zloty and the Brazilian real were among the best performers in emerging-market currency markets during a mixed Monday session. An index of Latin American stocks slipped as prolonged debt-ceiling talks in the US and hawkish remarks by Federal Reserve officials sap appetite for riskier assets. The South African rand rose 1.1% versus the greenback, leading gains among 23 emerging peers, as sentiment steadied after a four-day selloff driven by South Africa's row with the US over Russia. Brazil's real was the biggest gainer in Latin America, jumping 0.5% and halting a two-day losing streak. Brazil analysts revised down their estimates for 2023 inflation after state-owned oil firm Petrobras reduced fuel prices last week. Still, BCB President Roberto Campos Neto reiterated Friday after the local markets closed that core inflation remains high. The Mexican peso, meantime, was the biggest laggard in the developing world as traders watched closely local news following the government's decision to seize a small stretch of a rail line. Bonds from Ecuador, which have been this year's worst performers, were little changed Monday as traders awaited more details on candidates for the snap election that's likely to happen in August. Wall Street banks including Morgan Stanley, Barclays, Citigroup and Goldman Sachs have told investors to expect heightened market volatility in advance of elections given questions about how the next administration will deal with debt payments. Investors are planning to ramp up bets in emerging markets, according to the latest Markets Live Pulse survey — a sign the asset class is becoming a favorite for those wary of a US recession.

### Key Market Levels for the Day

	S3	S2	S1	R1	R2	R3
USDINR Spot	81.5075	81.6075	81.7050	81.9025	82.0725	82.1550



**Nirmal Bang Securities - Bullion Technical Market Update**

**Gold Market Update**



Market View	
Open	60245
High	60430
Low	60111
Close	60241
Value Change	-138
% Change	-0.23
Spread Near-Next	371
Volume (Lots)	5594
Open Interest	9480
Change in OI (%)	-4.53%

**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.

**SELL GOLD JUNE (MCX) AT 60200 SL 60500 TARGET 59700**

**Silver Market Update**



Market View	
Open	73100
High	73381
Low	72557
Close	72733
Value Change	-588
% Change	-0.8
Spread Near-Next	0
Volume (Lots)	11599
Open Interest	14301
Change in OI (%)	-2.76%

**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.

**SELL SILVER JULY (MCX) AT 72800 SL 73400 TARGET 72200/71700**





**Nirmal Bang Securities - Currency Technical Market Update**

**USDINR Market Update**



Market View	
Open	82.78
High	82.8825
Low	82.7375
Close	82.8675
Value Change	0.1225
% Change	0.15
Spread Near-Next	0
Volume (Lots)	1591277
Open Interest	3278279
Change in OI (%)	-0.41%

**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 reached at 2 month high and formed 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 82.75–82.97 for today.

**Key Market Levels for the Day**

	S3	S2	S1	R1	R2	R3
USDINR May	81.5050	81.6025	81.7050	81.9775	82.1025	82.2550



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