



**Daily Bullion Physical Market Report**

**Date: 23<sup>rd</sup> November 2022**

**Daily India Spot Market Rates**

Description	Purity	AM	PM
Gold	999	52465	52513
Gold	995	52255	52303
Gold	916	48058	48102
Gold	750	39349	39385
Gold	585	30692	30720
Silver	999	61291	61551

\*Rate as exclusive of GST as of 22<sup>nd</sup> November 2022 Gold is Rs/10 Gm & Silver in Rs/Kg

**Gold and Silver 999 Watch**

Date	GOLD*	SILVER*
22nd November2022	52513	61551
21st November2022	52406	60442
18th November2022	52953	61320
17th November2022	52894	61253

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

**COMEX Futures Watch**

Description	Contract	Close	Change	%Chg
Gold(\$/oz)	FEB 23	1754.80	0.20	0.01
Silver(\$/oz)	FEB 23	21.23	0.17	0.79

**ETF Holdings as on Previous Close**

ETFs	Long	Short
SPDR Gold	906.93	0.87
iShares Silver	14,898.96	163.21

**Gold and Silver Fix**

Description	LTP
Gold London AM Fix(\$/oz)	1747.00
Gold London PM Fix(\$/oz)	1742.95
Silver London Fix(\$/oz)	21.27

**Bullion Futures DGCX**

Description	Contract	LTP
Gold(\$/oz)	DEC. 22	1738.4
Gold Quanto	DEC. 22	52309
Silver(\$/oz)	DEC. 22	21.07

**Gold Ratio**

Description	LTP
Gold Silver Ratio	82.66
Gold Crude Ratio	21.68

**Weekly CFTC Positions**

	Long	Short	Net
Gold(\$/oz)	111455	70729	40726
Silver	39240	23346	15894

**MCX Indices**

Index	Close	Net Change	% Chg
MCX iCOMDEX Bullion	14500.46	21.10	0.15 %

**Macro-Economic Indicators**

Time	Country	Event	Forecast	Previous	Impact
23 <sup>rd</sup> November 07:00 pm	United States	Core Durable Goods Orders m/m	0.0 %	-0.5 %	Medium
23 <sup>rd</sup> November 07:00 pm	United States	Durable Goods Orders m/m	0.4 %	0.4 %	Medium
23 <sup>rd</sup> November 07:00 pm	United States	Unemployment Claims	225 K	222 K	Medium
23 <sup>rd</sup> November 08:15 pm	United States	Flash Services PMI	48.0	47.8	High
23 <sup>rd</sup> November 08:15 pm	United States	Flash Manufacturing PMI	50.0	54.7	Medium
23 <sup>rd</sup> November 08:30 pm	United States	New Home Sales	570 K	603 K	Medium
23 <sup>rd</sup> November 08:30 pm	United States	Revised UoM Consumer Sentiment	55.0	54.7	Medium



## Nirmal Bang Securities - Daily Bullion News and Summary

❖ Gold gained, snapping a four-day retreat, as the dollar edged lower and traders awaited Federal Reserve minutes for hints on the central bank's monetary-policy tightening path. A gauge of the dollar dipped following Fed official comments that reinforced expectations the central bank will slow the pace of rate increases. That made bullion more appealing to foreign investors. The precious metal is still trading in a tight range as traders await the minutes of the Fed's November meeting on Wednesday. That's when officials raised interest rates by 75 basis points for the fourth time in a row.

❖ The Bank of England has big fiscal news to digest at its next policy meeting in December. For all of the talk about austerity, it is the Autumn Statement's near-term fiscal boost to demand that will grab policymakers' attention. Evidence on the way the BOE thinks about cost-of-living support suggests a 0.5% boost to its GDP forecast one year from the second quarter of 2023. This means stronger medium-term price pressures. The main takeaway? - A big dial down in the pace of interest rate hikes by the BOE is not yet in the cards. A 50 basis-point move remains the most likely outcome at the next meeting, with some risk of a bigger increase. The Autumn Statement on Nov. 17. came with a generous support package for households struggling with high inflation. From April, the energy price cap will increase from an annual £2,500 per household to £3,000, where it will stay for 12 months. That's well below what would have been implied by market pricing in the absence of extended support. Vulnerable households will also get extra cost-of-living help: £900 for those on means-tested benefits, £300 for pensioners and £150 for those on disability-benefits. Taken together, the support will bring an additional £25 billion to the economy over the next fiscal year. That's positive news for our forecast, as we had assumed energy help would be more limited, at about £13 billion over the same period.

❖ Federal Reserve Bank of Cleveland President Loretta Mester said officials are fully focused on curbing inflation while her Kansas City colleague Esther George cautioned that ample US savings may warrant higher interest rates to cool demand. "Given the high level of inflation, restoring price stability remains the number one focus of the FOMC," Mester told a virtual event Tuesday hosted by her bank, referring to the rate-setting Federal Open Market Committee. "We're committed to using our tools to put inflation on a sustainable downward trajectory to 2%." The US central bank lifted interest rates by 75 basis points for the fourth straight time this month, bringing the target on its benchmark rate to a range of 3.75% to 4%. Both Mester and George are FOMC voters this year. Investors expect the Fed to downshift to a smaller, half-point increase when it gathers Dec. 13-14 meeting and for the benchmark rate to peak at about 5% next year, according to pricing of contracts in futures markets. Previously, Mester said on Monday that monetary policy was entering a different "cadence" now that rates are at the start of restrictive territory and that she doesn't have a problem with the Fed slowing down the pace of rate increases at next month's meeting.

❖ The European Central Bank must lift interest rates by at least a half-point in December to tackle record inflation, according to Governing Council member Gediminas Simkus, who considers a larger move still an option. While it's clear that price growth remains too rapid and borrowing costs will have to rise further in 2023, it's too early to settle on the size of the next move as officials will only get fresh economic forecasts at the Dec. 14-15 meeting, Simkus said in an interview. A decision on reducing the ECB's bond portfolio will also play a role, he said. "It's clear that 50 basis points is a must," the Lithuanian central bank chief said in Vienna. "Because we still see very strong inflation pressures and we need to dampen them as soon as possible to prevent a de-anchoring of inflation expectations. 75 is also possible." Without seeing the updated inflation and economic-growth projections, which will offer a first glimpse at 2025, "it's a bit premature to make judgments," he said. After enacting 200 basis points of hikes since July -- the most aggressive monetary-tightening push in the ECB's history -- rates will soon reach a level deemed to neither stimulate nor restrain the economy. That coincides with market hopes that the Federal Reserve may slow its own increases in borrowing costs after a softer inflation reading.

❖ A key measure of bond scarcity in Europe is plunging as policymakers move to alleviate the collateral shortage plaguing the region's markets. The premium investors pay for German two-year bonds over equivalent swaps has dropped to levels last seen in July in recent days, down more than 40 basis points from a record high in September. It comes after the German finance agency and the European Central Bank took steps to increase the supply of debt available to borrow in repo markets. The so-called asset-swap spread is still trading at 82 basis points, around double the five-year average. Yet the move suggests the extra stock of bonds is softening the squeeze and reversing a trend that disrupted one of the most important markets for short-term funding. "I think we have seen the peak and the trend is for tightening swap spreads," said Rohan Khanna, a rates strategist at UBS Group AG. "If we do have another worsening of collateral scarcity, institutions and policy will react to it -- they are not oblivious to the problem." The need to hedge against rampant volatility had supercharged demand for haven assets, which were already in short supply after years of central-bank bond purchases. Investors warned that left unchecked, the imbalance could undermine the ECB's drive to tighten monetary policy by keeping short-dated rates suppressed.

❖ **Fundamental Outlook:** Gold and silver prices are trading positive on international bourses. We expect precious metals prices on Indian bourses to trade range-bound to slightly higher for the day. We recommend buy on dips in gold and silver in intra-day trading sessions as investors look to Federal Reserve minutes due for release later Wednesday for fresh clues on the precious metal's direction.

### Key Market Levels for the Day

Time	Month	S3	S2	S1	R1	R2	R3
Gold – COMEX	December	1700	1720	1735	1755	1780	1800
Silver – COMEX	December	20.40	20.60	20.85	21.05	21.25	21.50
Gold – MCX	October	51750	52000	52200	52350	52500	52700
Silver – MCX	December	59400	60000	60650	61000	61600	62200





## Nirmal Bang Securities - Daily Currency Market Update

### Dollar Index

LTP/Close	Change	% Change
107.22	-0.61	-0.57

### Bond Yield

10 YR Bonds	LTP	Change
United States	3.7559	-0.0710
Europe	1.9750	-0.0140
Japan	0.2490	0.0020
India	7.2870	-0.0320

### Emerging Market Currency

Currency	LTP	Change
Brazil Real	5.3637	0.0547
South Korea Won	1356.7	-4.0500
Russia Rubble	61.1	-0.315
Chinese Yuan	7.1399	0.0073
Vietnam Dong	24840	8
Mexican Peso	19.4409	-0.0013

### NSE Currency Market Watch

Currency	LTP	Change
NDF	81.95	0.01
USDINR	81.695	-0.08
JPYINR	57.8525	0.14
GBPINR	96.965	0.345
EURINR	84.0125	0.255
USDJPY	141.19	-0.49
GBPUSD	1.1871	0.005
EURUSD	1.0288	0.0045

### Market Summary and News

❖ Japanese Yen rises for the first time in five days after remarks from some Federal Reserve officials solidified bets for smaller US rate hikes. Japan's yield curve bear-steepens ahead of a local holiday. USD/JPY declines 0.2% to 141.88 after gaining 2.1% in the past four sessions. Pair has rebounded from the bottom of the daily Ichimoku cloud. Cleveland Fed President Mester said the US central bank can slow down from a 75bp rate hike at the next meeting. San Francisco's Daly urged officials to be mindful of the lags with which monetary policy works. USD/JPY will regain much of its recent losses as USD recovers broadly due to China's worsening Covid situation and higher US yields. Japan's markets will be shut on Wednesday and the US's on Thursday for local holidays.

❖ China's overnight repo rate falls to the lowest in almost two years after authorities withdrew short-term cash from the financial system, signaling ample liquidity. The Hong Kong dollar steadies near the midpoint of its allowed trading range. Overnight repo rate falls as much as 22bps to 0.85%, the lowest since January 2021; 7-day rate drops 2bps to 1.62%. PBOC net withdrew 170b yuan in open market operations, according to Bloomberg calculations. 10-year government bond yields gain 1bp to 2.83%; futures contracts on 10-year notes little changed at 99.695. Bond yields rose to some extent recently as investors factored in stronger prospects for the economic recovery, causing fluctuations in the net asset values of some wealth management products. The overall risk is totally controllable and the volatility was a result of markets' own adjustment.

❖ The pound traded broadly flat against the euro and fell against the dollar amid broad-based greenback strength, as concerns over a potential return of more stringent Covid-19 restrictions in China spurred a risk-off mood. Domestically, debate over Brexit was reignited after No. 10 denied a Sunday Times report that the UK was considering pushing for a Swiss-style relationship with the EU, alongside pressure from businesses to resolve tensions and adapt the UK's immigration policy. Bond investors will also have their eye on the BOE's sale of short-dated gilts from the APF.

❖ The Indian rupee snaps four straight days of declines on the back of a weaker dollar and likely selling of the greenback by exporters. Bonds edge lower. USD/INR fell 0.2% to 81.7025; pair rose 0.9% in the previous four days to Monday. Exporters may continue selling toward 82.00 levels or keep a stop loss of 81.60. The markets are also awaiting the FOMC minutes, which will be released later this week. A recovery in the dollar index remains a key headwind for the rupee, which now finds itself at a critical support zone. If the rupee breaks the 81.90-82 range and closes lower, next support level is 83 and beyond.

### Key Market Levels for the Day

	S3	S2	S1	R1	R2	R3
USDINR Spot	81.0000	81.3000	81.5000	81.8000	81.9800	82.2000



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

**Gold Market Update**



Market View	
Open	52475
High	52495
Low	52237
Close	52289
Value Change	-3
% Change	-0.01
Spread Near-Next	12
Volume (Lots)	4456
Open Interest	4351
Change in OI (%)	-6.85%

**Gold - Outlook for the Day**

Gold prices are supportive around \$ 1710-1700, where we can buy gold for target of \$ 1730-45.

**BUY GOLD DEC (MCX) AT 52200 SL 52000 TARGET 52500/52650**

**Silver Market Update**



Market View	
Open	61134
High	61615
Low	60865
Close	60986
Value Change	351
% Change	0.58
Spread Near-Next	-986
Volume (Lots)	14146
Open Interest	10820
Change in OI (%)	-3.38%

**Silver - Outlook for the Day**

Silver prices are comparatively stronger than gold, we are recommending to buy silver between \$ 21.00-20.90 for the target of \$ 21.40-55.

**BUY SILVER DEC (MCX) AT 60650 SL 60000 TARGET 61500/62000**





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

**USDINR Market Update**



Market View	
Open	81.73
High	81.85
Low	81.625
Close	81.695
Value Change	-0.08
% Change	-0.1
Spread Near-Next	0.6939
Volume (Lots)	2682929
Open Interest	3069707
Change in OI (%)	5.32%

**USDINR - Outlook for the Day**

USDINR opened on a flat note at 81.73 followed by a consolidation session with closure in flat red. USDINR has formed a small red candle with sideways closure indicating resistance at higher levels. The pair has given closure above short and long term SMA while holding medium term SMA as a resistance. USDINR, if trades below 81.65, pair will head towards 81.50 – 81.20. Whereas, momentum above 81.87; will lead the pair to test the highs of 82.25. The daily strength indicator RSI and momentum oscillator Stochastic both are in positive zone but still is below their signal line indicating bullish bias.

**Key Market Levels for the Day**

	S3	S2	S1	R1	R2	R3
USDINR November	81.0000	81.3000	81.5000	81.8500	82.0500	82.2700



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