



Daily Bullion Physical Market Report

Date: 24th May 2023

Daily India Spot Market Rates

Description	Purity	AM	PM
Gold	999	60450	60342
Gold	995	60208	60100
Gold	916	55372	55273
Gold	750	45338	45257
Gold	585	35363	35300
Silver	999	71568	70718

*Rate as exclusive of GST as of 23rd May 2023 Gold is Rs/10 Gm & Silver in Rs/Kg

Gold and Silver 999 Watch

Date	GOLD*	SILVER*
23 rd May 2023	60342	70718
22 nd May 2023	60829	72521
19 th May 2023	60275	71784
18 th May 2023	60474	71496

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

COMEX Futures Watch

Description	Contract	Close	Change	%Chg
Gold(\$/oz)	AUG 23	1992.80	-2.90	-0.15
Silver(\$/oz)	JUL 23	23.62	-0.24	-0.99

ETF Holdings as on Previous Close

ETFs	Long	Short
SPDR Gold	942.74	5.78
iShares Silver	14,660.03	87.12

Gold and Silver Fix

Description	LTP
Gold London AM Fix(\$/oz)	1959.65
Gold London PM Fix(\$/oz)	1969.20
Silver London Fix(\$/oz)	23.16

Bullion Futures DGCX

Description	Contract	LTP
Gold(\$/oz)	JUN. 23	1978.4
Gold Quanto	JUN. 23	60217
Silver(\$/oz)	MAY. 23	23.64

Gold Ratio

Description	LTP
Gold Silver Ratio	84.35
Gold Crude Ratio	27.33

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	16263.00	-41.17	-0.25 %

Macro-Economic Indicators

Time	Country	Event	Forecast	Previous	Impact
24th May 07:35 PM	United States	Treasury Sec Yellen Speaks	-	-	Medium
24th May 11:30 PM	United States	FOMC Meeting Minutes	-	-	High



Nirmal Bang Securities - Daily Bullion News and Summary

❖ Gold fell, inching toward levels seen about two months ago as investors assessed progress on US debt-ceiling negotiations. President Joe Biden and House Speaker Kevin McCarthy called their discussions on Monday productive, but an agreement remains elusive. Earlier, Treasury Secretary Janet Yellen warned it's "highly likely" her department would run out of sufficient cash in early June and that default could come as soon as June 1. The threat of a potential default boosted demand for havens, helping to send gold to the highest price since March 2022 earlier in the month. But bullion has dropped about 4% since its May 4 high, and is hovering around levels seen in late March.

❖ Treasury bill markets are a long way from sounding the all-clear about the risk of a US default despite the emergence of a more positive tone in negotiations over the statutory debt ceiling between the White House and Congressional leadership. Securities due in early June — seen as most at risk of non-payment if the US government exhausts its borrowing capacity in the time period Treasury Secretary Janet Yellen has warned about — continue to include a significant yield premium as investors steer clear. Rates on some of those maturing in the early part of the month topped 6% on Tuesday, which is not only above those for later in the summer, but close to 4 percentage points above instruments maturing May 30. Earlier, the Treasury sold its newest 21-day cash management bill at 6.2%. The Treasury Secretary said in a new letter on Monday that it's now "highly likely" that her department will run out of cash in early June without an extension of the debt ceiling, and repeated her warning that the moment could come as soon as June 1. The Bipartisan Policy Center, meanwhile, said in its latest analysis that there's an "elevated risk" that the crunch point for the US Treasury will fall between June 2 and 13. That's in line with Wall Street strategists' expectations as to the point when Treasury's cash pile will be at its lowest ebb. Debt-limit negotiators are meeting again in Washington Tuesday following a Monday sit-down between President Joe Biden and House Speaker Kevin McCarthy that the Republican described as "productive."

❖ European Central Bank President Christine Lagarde pledged to return inflation in the euro area to the mandated 2% goal by lifting borrowing costs further. "We will bring inflation back to our target of 2% over the medium term," Lagarde said in an op-ed published on Tuesday ahead of the ECB's 25th anniversary. "That is why we have raised interest rates at a record pace, and why we will bring them to sufficiently restrictive levels — and keep them at those levels for as long as necessary — to return inflation to our target in a timely manner." The ECB has already increased rates by 375 basis points since July and is expected to hike again by a quarter point at the next two meetings. Some policymakers have suggested that it might need to continue tightening after the summer.

❖ Bank of England officials made their clearest admission yet that they were slow to respond to a jump in inflation and have lots to learn about how they handle the sorts of large shocks buffeting the global economy. BOE Governor Andrew Bailey acknowledged that inflation had already been on the rise before Russia's invasion of Ukraine and that policymakers had underestimated the persistence of upward forces on wages and prices. "The shocks that we've faced have been unprecedented," Bailey said Tuesday in Parliament. "I think there are big lessons about how do we operate policy in that world and in a world of very substantial uncertainty." The remarks in response to lawmakers on the Treasury Committee underscore rising political concern about the impact the cost-of-living crunch is having on consumers after seven months of double-digit inflation driven by food and energy prices. Bailey said the BOE's Monetary Policy Committee had held off on responding to inflation during the pandemic because it was worried about the possibility of a surge in unemployment as the government wound down its job-supporting furlough program. "We hold our hand up and say that's a judgment we had to make and it didn't turn out right," Bailey told MPs. Now, he added, the bank is concerned about the persistence of inflation. The Consumer Prices Index was 10.1% in March — more than five times the BOE target. Economists are expecting inflation to slip to 8.2% when the next batch of data is released Wednesday, due to a sharp rise in energy prices a year ago falling out of the comparison.

❖ The European Central Bank will need more interest rate increases to bring inflation under control, according to Bundesbank President Joachim Nagel. "The course of monetary policy tightening has not yet come to an end," Nagel said in Berlin on Tuesday. "Several rate hikes will still be necessary to reach a sufficiently restrictive level. And we will then have to maintain this level for a sufficiently long time; until inflation has come down." The central bank is in the midst of its most aggressive tightening cycle ever — it's raised rates by 375 basis points already and will likely hike by a quarter point at its next two meetings as well. The Bundesbank chief, one of the ECB's most hawkish rate setters, was among the first to say that more might be needed after the summer. Keeping rates high won't necessarily be popular, Nagel said. "Especially since a restrictive interest rate level inevitably goes hand in hand with a dampening of economic activity — otherwise it would not be a restrictive interest rate level," he said. "But that's what I meant by the unpopular decisions that monetary policymakers sometimes have to make: for some, interest rates are still too low, for others too high."

❖ **Fundamental Outlook:** Gold and silver prices are trading flat today 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 gold prices held steady in Asia — after a modest gain on Tuesday — as the threat of a US default supported haven demand.

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	59700	60000	60200	60400	60550	60750
Silver – MCX	July	70500	71000	71700	72450	73200	73850



Nirmal Bang Securities - Daily Currency Market Update

Dollar Index

LTP/Close	Change	% Change
103.49	0.29	0.28

Bond Yield

10 YR Bonds	LTP	Change
United States	3.6919	-0.0229
Europe	2.4660	0.0100
Japan	0.4040	0.0110
India	7.0140	0.0280

Emerging Market Currency

Currency	LTP	Change
Brazil Real	4.9721	0.0043
South Korea Won	1312.5	-5.7500
Russia Rubble	80.2794	-0.163
Chinese Yuan	7.056	0.024
Vietnam Dong	23477	35
Mexican Peso	17.9745	0.0762

NSE Currency Market Watch

Currency	LTP	Change
NDF	83	-0.04
USDINR	82.84	-0.0275
JPYINR	59.93	-0.205
GBPINR	102.5825	-0.6025
EURINR	89.34	-0.3425
USDJPY	138.19	0.4
GBPUSD	1.2382	-0.007
EURUSD	1.0785	-0.0034

Market Summary and News

❖ Indian bonds fell as traders weighed comments by Federal Reserve officials that hinted at continued tight monetary policy. The rupee closed flat. 5-year yields advanced by 5bps to 6.92%, 5-year OIS rose 11bps to 6.06%; 10-year yields climbed 3bps to 7.01%. "There have been comments by US Fed board members that they are still figuring out the nuances of inflation dynamics and that rates could be raised multiple times this calendar year," says Sandeep Bagla, chief executive officer at Trust Mutual Fund. Unwinding of US rate cut expectations likely drove OIS rates and 5-year bond yields higher. "There is little room for further rally in bond markets right now, the best the market can hope for is a sideways movement in yields." USD/INR little changed at 82.8050; pair rose ~0.5% in the previous three days. "Amid external and internal fundamentals favoring a weaker rupee, the ball is in the RBI's court," says Amit Pabari, managing director at CR Forex. RBI "has been constantly buying dollars, and the rupee isn't able to gain strength despite robust FII and FDI flow this month." Market participants are waiting to see if any sales come near the 83.00 mark as witnessed in the past episodes.

❖ A gauge of the dollar climbed to a two-month high in New York morning trading before paring gains. Risk sentiment deteriorated on Tuesday with US stocks down and short-dated Treasury yields soaring as little progress was made over raising the US debt ceiling. The Bloomberg Dollar Spot Index rose as much as 0.3% to the highest since March 21 on an intraday basis; gauge was up 0.22% as of 3:30 p.m. New York time. Japanese yen was little changed in afternoon session in New York, outperforming G-10 peers amid US default worries. USD/JPY rose as much as 0.22% to 138.91, its highest since late November, before wiping out all gains. If market expectations of a compromise debt agreement are seriously challenged in the coming weeks, "it could trigger a squeeze of short yen positions and a sharp move lower in USD/JPY," according to a note from MUFG. Investors have been demanding higher premiums to hold US debt, especially those at the highest risk of default, with little time left for politicians to find an agreement; yields on bills due June 8 are now above 5.8% vs less than 3% on bills maturing May 30. Treasury Secretary Janet Yellen warned it's now "highly likely" her department would run out of sufficient cash in early June and that default could come as soon as June 1. Yield on the two-year Treasury note rose 3 basis points to 4.35%; five- and 10-year yields were little changed. EUR/USD falls 0.4% to 1.0771, weighed down by a bigger-than-expected fall in manufacturing PMI in the euro-zone region in May; pair drifts further away from 100-DMA at 1.0812. Bundesbank President Joachim Nagel said the European Central Bank will need more rate hikes to bring inflation under control, while ECB head Christine Lagarde pledged to return inflation in the euro area to the mandated 2% goal by lifting borrowing costs further. GBP/USD slips 0.2% to 1.2411 after weak UK PMI; Tuesday's session low at 1.2373 vs 55-DMA at 1.2386.

❖ Most emerging-market currencies and a key gauge of developing stocks sank on Tuesday as investors, concerned with the lack of progress in US debt-ceiling talks, spurned riskier assets. The Colombian peso, meantime, outperformed most emerging currency peers as oil prices jumped. Fourteen out of 23 developing-world currencies weakened in the session as a broad gauge of the greenback gained; MSCI EM Currency Index dropped for first session in three. House Speaker Kevin McCarthy told Republicans Tuesday that debt-limit talks still have some distance to go and pleaded with them to stay united on the party's demands for spending cuts to avert a US default. The Colombian peso outperformed, gaining 1.5% versus the dollar to the strongest level in a month. Despite the global risk aversion, crude prices got a boost from Saudi Energy Minister Prince Abdulaziz bin Salman who warned short-sellers. The Brazilian real ended the session little changed versus the greenback, while Chile's peso was the biggest loser in the developing world as copper, its biggest export, sank. The Hungarian forint weakened versus the euro and the dollar as the central bank cut its key interest rate for the first time in three years. Prime Minister Viktor Orban dug in his heels over crucial European Union aid to Ukraine, offering sympathy for his neighbor, but nothing more to help it fight off Russia's invasion. The Thai baht also sank as an eight-party coalition is yet to form a government under PM candidate Pita Limjaroenrat more than a week after elections.

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	60000
High	60245
Low	59739
Close	60197
Value Change	-44
% Change	-0.07
Spread Near-Next	368
Volume (Lots)	8760
Open Interest	8296
Change in OI (%)	-14.27%

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 60000 SL 59700 TARGET 60400/60500

Silver Market Update



Market View	
Open	72445
High	72454
Low	71109
Close	72164
Value Change	-569
% Change	-0.78
Spread Near-Next	0
Volume (Lots)	22277
Open Interest	13678
Change in OI (%)	-4.55%

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 71700 SL 71000 TARGET 72800/73300



Nirmal Bang Securities - Currency Technical Market Update

USDINR Market Update



Market View	
Open	82.88
High	82.88
Low	82.7725
Close	82.84
Value Change	-0.0275
% Change	-0.03
Spread Near-Next	0
Volume (Lots)	1349485
Open Interest	3172185
Change in OI (%)	-3.34%

USDINR - Outlook for the Day

USDINR had a flat open at 82.88 followed by a session and continued with profit taking marking low at 82.77 with closure near low. The pair has reached at 2 month high and formed small red candle. The pair has given crossover of short-term moving averages. On the daily chart by the momentum indicator RSI at 70 levels, MACD gave 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	81.6225	81.7250	81.9575	82.0525	82.1550



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