

## Daily Bullion Physical Market Report

Date: 26<sup>th</sup> March 2024

### Daily India Spot Market Rates

Description	Purity	AM	PM
Gold	999	66245	66268
Gold	995	65980	66003
Gold	916	60680	60702
Gold	750	49683	49701
Gold	585	38753	38767
Silver	999	73787	74052

Rate as exclusive of GST as of 22<sup>nd</sup> March 2024 Gold is Rs/10 Gm & Silver in Rs/Kg

### Gold and Silver 999 Watch

Date	GOLD*	SILVER*
22 <sup>nd</sup> March 2024	66268	74052
21 <sup>st</sup> March 2024	66914	75045
20 <sup>th</sup> March 2024	65589	73844
19 <sup>th</sup> March 2024	65589	73844

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

### COMEX Futures Watch

Description	Contract	Close	Change	%Chg
Gold(\$/oz)	JUN 24	2198.20	16.60	0.76
Silver(\$/oz)	MAY 24	24.89	0.05	0.19

### ETF Holdings as on Previous Close

ETFs	In Tonnes	Net Change
SPDR Gold	835.33	-3.17
iShares Silver	13,095.26	-120.89

### Gold and Silver Fix

Description	LTP
Gold London AM Fix(\$/oz)	2168.35
Gold London PM Fix(\$/oz)	2176.70
Silver London Fix(\$/oz)	24.67

### Bullion Futures DGCX

Description	Contract	LTP
Gold(\$/oz)	APR. 24	2173
Gold Quanto	JUNE 24	66042
Silver(\$/oz)	MAY. 24	24.85

### Gold Ratio

Description	LTP
Gold Silver Ratio	88.31
Gold Crude Ratio	26.82

### Weekly CFTC Positions

	Long	Short	Net
Gold(\$/oz)	186681	29214	157467
Silver	53683	15864	37819

### MCX Indices

Index	Close	Net Change	% Chg
MCX iCOMDEX Bullion	16788.65	34.97	0.21 %

### Macro-Economic Indicators

Time	Country	Event	Forecast	Previous	Impact
26th March 06:00 PM	United States	Core Durable Goods Orders m/m	0.4%	-0.4%	Medium
26th March 06:00 PM	United States	Durable Goods Orders m/m	1.2%	-6.2%	Medium
26th March 06:30 PM	United States	S&P/CS Composite-20 HPI y/y	6.6%	6.1%	Medium
26th March 06:30 PM	United States	HPI m/m	0.2%	0.1%	Low
26th March 07:30 PM	United States	CB Consumer Confidence	106.9	106.7	High
26th March 07:30 PM	United States	Richmond Manufacturing Index	-5	-5	Medium

### Nirmal Bang Securities - Daily Bullion News and Summary

❖ Gold rose ahead of a slew of inflation reports due later this week that are likely to offer more clarity on when central banks will start cutting interest rates. The Federal Reserve's preferred measure of underlying inflation — the core personal consumption expenditures index, which excludes food and energy costs — is due Friday. France, Italy, Spain and Australia also report consumer-price figures in the coming days. Expectations of when the Fed will pivot to monetary easing have been the key driver of bullion this year. Lower rates are typically a tailwind for gold, which doesn't yield interest. Rate cuts are could lift gold to \$2,300 an ounce by the end of this year, Goldman Sachs Group Inc. analysts wrote in a note. Fed Bank of Atlanta President Raphael Bostic reiterated his expectation for one interest-rate cut this year, adding the central bank can afford to be patient as long as the economy holds up. "I have an outlook for how the economy's going to perform," Bostic said Monday during a moderated conversation hosted by the University of Cincinnati's Real Estate Center in Ohio. "If it does that, then I think we can afford to be patient." Over the past two weeks, a strengthening dollar has kept a lid on bullion, making gold more expensive for many buyers. Still, the precious metal remains near an all-time peak, having rallied 9% since mid-February.

❖ Money managers have decreased their bullish gold bets by 2,093 net-long positions to 157,467, weekly CFTC data on futures and options show. Long-only positions fell 3,693 lots to 186,681 in the week ending March 19. Short-only positions fell 1,600 lots to 29,214. The short-only total was the lowest in more than nine months. Money managers have increased their bullish silver bets by 11,158 net-long positions to 37,819, weekly CFTC data on futures and options show. The net-long position was the most bullish in 23 months. Long-only positions rose 8,031 lots to 53,683 in the week ending March 19. The long-only total was the highest in about eight months. Short-only positions fell 3,127 lots to 15,864. The short-only total was the lowest in almost 15 months.

❖ Traders are betting the Bank of England could beat its European and US peers to interest-rate cuts, a turnaround from expectations it would be a laggard in 2024. Money markets have raised wagers on easing at its next monetary-policy decision, putting the probability of a cut at 20%, compared to less than 10% for the Federal Reserve and European Central Bank. That follows remarks last week by Governor Andrew Bailey that rate cuts were in play at future meetings as inflationary risks have eased. It's a big shift in market positioning. The UK had been expected to lag peers as inflation remained stubbornly high last year despite the fastest hiking cycle in decades. At the start of 2024, money markets favored two cuts from the Fed and ECB by their third meeting of the year, but only one from the BOE. Now the debate is whether it will move in May. Citigroup Inc. strategist Jamie Searle is recommending a swaps wager that is targeting triple the amount of rate cuts getting priced in for that month. He pointed to Bailey also saying last week that rate-setters will need to "act ahead of time." Bailey's comments "perhaps makes May seem like a reasonable time to cut," Searle wrote in a note to clients. Still, not everyone is convinced. JPMorgan Chase & Co. strategists including Francis Diamond like tactically betting against any such easing in May, given the paucity of economic data before the next BOE meeting. While "the market is keen to fade" the persistence of UK inflation, Bank of America Corp.'s Agne Stengeryte recommends betting the ECB will still beat the BOE to a move in June. Market odds favor rate cuts from all three central banks by then. The BOE or ECB wouldn't be the first major central bank to cut in Europe — the Swiss National Bank surprised markets by moving last week.

❖ Federal Reserve Bank of Atlanta President Raphael Bostic reiterated his expectation for one interest-rate cut this year, adding the central bank can afford to be patient as long as the economy holds up. "I have an outlook for how the economy's going to perform," Bostic said Monday during a moderated conversation hosted by the University of Cincinnati's Real Estate Center in Ohio. "If it does that, then I think we can afford to be patient." Bostic said Friday that he now projects just one interest-rate cut this year, adding that reduction will likely happen later in the year than he previously expected. He described the decision to shift his forecast from two cuts to one as a "close call." "The goal and the reality is that we've got to let the data guide us," Bostic said. Fed officials held interest rates steady last week and narrowly maintained their outlook for three interest-rate cuts this year. Individuals' expectations of the rate outlook, however, were split. The central bank's "dot plot" showed 10 officials forecast three or more quarter-point cuts this year, while nine anticipated two or fewer. Chicago Fed President Austan Goolsbee said Monday that he was among the policymakers anticipating three interest-rate cuts this year. Following the decision, Chair Jerome Powell said central bankers expect to gain confidence that inflation will move to the 2% goal and that the first reduction would likely be "at some point this year." "As long as the economy is strong, as long as GDP is high, as long as businesses are hiring and folks have jobs, I'm not in a hurry to get inflation down to 2%," Bostic said. "If it continues on a trajectory, I'm happy with that." Bostic also said the Fed wants to avoid sparking market volatility as it shrinks its portfolio of assets, noting at some point the central bank will slow the pace of runoff.

❖ As inflation surged in 2022, the Federal Reserve moved to prevent a wage-hike spiral by jacking up interest rates. Now, with unemployment edging up, the central bank is signaling a willingness to cut rates to head off a job-cutting spiral — even if that means somewhat higher inflation for a while. For the first time in the current economic upswing, Fed Chair Jerome Powell used his opening statement at Wednesday's press conference to declare that a surprise increase in unemployment could prompt the Fed to lower rates. He then repeated that message several times in response to reporters' questions. While the Fed is waiting to be sure its inflation battle is won before cutting rates, "an unexpected weakening in the labor market could also warrant a policy response," he said after its two-day policy meeting. Powell said he didn't see any cracks in the job market now, but some economists are not so sanguine. They point to marked increases in joblessness in a number of states, continued declines in temporary staffing and reduced working hours. Regardless, Powell and his colleagues are well aware that what looks to them to be a solid labor market can quickly turn sour: Historically, once unemployment starts climbing, it goes up by a lot, as companies follow each other in announcing layoffs. By holding out the possibility of lower rates if the labor market weakens unduly, Powell seems to be trying to short-circuit that process.

**Fundamental Outlook:** Gold and silver prices are trading flat today on the international bourses. We expect gold and silver prices to trade range-bound to slightly higher for the day, as investors remained cautious ahead of key US inflation data, which may provide traders with a firmer view on when the Federal Reserve will start cutting interest rates.

### Key Market Levels for the Day

Time	Month	S3	S2	S1	R1	R2	R3
Gold – COMEX	June	2145	2170	2190	2200	2220	2250
Silver – COMEX	May	24.35	24.50	24.70	24.85	25.00	25.25
Gold – MCX	June	66000	66300	66500	66650	66800	67000
Silver – MCX	May	73700	74300	74800	75400	76000	76700

### Nirmal Bang Securities - Daily Currency Market Update

#### Dollar Index

LTP/Close	Change	% Change
104.22	-0.21	-0.20

#### Bond Yield

10 YR Bonds	LTP	Change
United States	4.2454	0.0473
Europe	2.3710	0.0490
Japan	0.7340	-0.0070
India	7.0940	0.0460

#### Emerging Market Currency

Currency	LTP	Change
Brazil Real	4.9752	-0.0263
South Korea Won	1342.25	3.8000
Russia Rubble	92.9	0.6615
Chinese Yuan	7.2114	-0.0178
Vietnam Dong	24759	-11
Mexican Peso	16.6737	-0.0908

#### NSE Currency Market Watch

Currency	LTP	Change
NDF	83.53	-0.09
USDINR	83.6725	0.545
JPYINR	55.2375	0.14
GBPINR	105.3375	-0.7775
EURINR	90.635	-0.2325
USDJPY	151.46	0.56
GBPUSD	1.2585	-0.0165
EURUSD	1.0819	-0.0089

#### Market Summary and News

❖ Haven currencies, including the greenback, fell Monday as declining levels of volatility buoyed risk-sensitive currencies. The Norwegian krone led gainers as geopolitics and supply worries lifted oil prices. The Bloomberg Dollar Spot Index fell 0.2% after gaining 0.9% last week, which was the most since the week ended Jan. 5; spot volumes were generally muted and linked to month-end/quarter-end flows. Treasury 10-year yields were higher by 5 basis points at 4.25%. Chicago Fed National Activity index unexpectedly edged up in February, while new home sales missed estimates. Implieds fell across tenors and currencies. USD/JPY is nearly unchanged at 151.43. Prices for options that hedge sharp moves remain elevated due to intervention risks and a possible move above to 152, an option-sensitive level seen as a possible line-in-sand for Japanese authorities. USD/CNY drops 0.3%, paring Friday's gain as China's central bank signaled support for the currency with its stronger-than-expected daily reference rate. "We remain unconvinced at the current juncture that Chinese policymakers will now allow a much weaker renminbi," said Lee Hardman, a strategist at MUFG in London. "We still believe that maintaining currency stability is an important policy goal for China." EUR/USD rises 0.3% to 1.0835, supported by rising yields in Europe. European Central Bank. Chief Economist Philip Lane said pay growth in the euro zone is returning to more normal levels. EUR/SEK trades up 0.4% at 11.4647; krona is underperforming amid real money demand ahead of the Riksbank meeting later this week. EUR/CHF climbs 0.5% to 0.9746 amid hedge fund and fix-related franc sales. "Despite being consensus, short CHF remains the best bang for your buck," writes Mark McCormick, Global Head of FX and EM Strategy at TD Securities. EUR/NOK settles beneath its YTD high of 11.6570. USD/CAD fell 0.2% to 1.3583 amid higher oil and real money loonie demand. Risk reversals rise to the highest level since January amid good demand for strikes above 1.40.

❖ Emerging-market currencies rose after the People's Bank of China moved to halt a steep drop in the yuan. Equities across the developing world ended the session lower in tandem with global share markets, fading a rally that drove the S&P 500 to multiple records, in a session of rising US yields. MSCI's EM currency index gained 0.1%, led by the South African rand and the Polish zloty; stocks dropped 0.3%. "Stability in China FX can have ripple effects and I think that's been on display in the last few trading days," said Brendan McKenna, an emerging-markets economist at Wells Fargo. All Latin American currencies gained on the back of news from China and commodity gains. The forint rebounded slightly against euro after the government in Budapest affirmed its delaying a controversial change to the central bank law; central European peers the zloty and koruna also appreciated. Senegal's sovereign dollar bonds rallied, posting some of the best gains in emerging markets, as investors bet the recent election would lead to the western African country getting a stable government and Bassirou Diomaye Faye toning down some of the extreme policy measures he had outlined during the campaign. Zambia has agreed to restructure \$3 billion in eurobonds, clearing a key hurdle that's delayed its three-year effort to escape debt default with implications for other nations seeking creditor deals. Investors will be on the lookout for the personal consumption expenditures price index — due on Good Friday — as well as Brazil's central bank minutes due Tuesday before the market open "Moves by various central banks mixing it up with hawkish cuts and dovish hikes makes one thing clear: the future is quite uncertain," said Juan Pérez, director of trading at Monex USA.

#### Key Market Levels for the Day

	S3	S2	S1	R1	R2	R3
USDINR Spot	83.0825	83.1875	83.2855	83.4575	83.5750	83.6975

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

**Gold Market Update**



Market View	
Open	65858
High	66242
Low	65858
Close	66022
Value Change	164
% Change	0.25
Spread Near-Next	632
Volume (Lots)	2268
Open Interest	7812
Change in OI (%)	-8.21%

**Gold - Outlook for the Day**

**BUY GOLD JUNE (MCX) AT 66500 SL 66300 TARGET 66800/67000**

**Silver Market Update**



Market View	
Open	74939
High	75270
Low	74823
Close	74923
Value Change	136
% Change	0.18
Spread Near-Next	1432
Volume (Lots)	3048
Open Interest	24017
Change in OI (%)	0.17%

**Silver - Outlook for the Day**

**SELL SILVER MAY (MCX) AT 75200 SL 75800 TARGET 74500/74000**

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

**USDINR Market Update**



Market View	
Open	83.1825
High	83.7275
Low	83.1825
Close	83.6725
Value Change	0.545
% Change	0.6556
Spread Near-Next	-0.4397
Volume (Lots)	5138136
Open Interest	2008825
Change in OI (%)	0.00%

**USDINR - Outlook for the Day**

The USDINR future witnessed a flat-opening at 83.26, which was followed by a session where price shows strong buying from lower level with candle closures near high. A long candle formed by the USDINR price where price closed above all time high placed at 83.60. On the daily chart, the MACD showed a positive crossover below the zero-line, while the momentum indicator, RSI entered in over-bought level showed positive indication. We are anticipating that the price of USDINR futures will fluctuate today between 83.45 and 83.83.

**Key Market Levels for the Day**

	S3	S2	S1	R1	R2	R3
USDINR April	82.4025	83.5075	83.6075	83.8075	83.9025	84.0075

## Nirmal Bang Securities – Commodity Research Team

Name	Designation	Email
Kunal Shah	Head of Research	<a href="mailto:kunal.shah@nirmalbang.com">kunal.shah@nirmalbang.com</a>
Devidas Rajadhikary	AVP Commodity Research	<a href="mailto:devidas.rajadhikary@nirmalbang.com">devidas.rajadhikary@nirmalbang.com</a>
Harshal Mehta	AVP Commodity Research	<a href="mailto:harshal.mehta@nirmalbang.com">harshal.mehta@nirmalbang.com</a>
Ravi D'souza	Sr. Research Analyst	<a href="mailto:ravi.dsouza@nirmalbang.com">ravi.dsouza@nirmalbang.com</a>
Smit Bhayani	Research Analyst	<a href="mailto:smit.bhayani@nirmalbang.com">smit.bhayani@nirmalbang.com</a>
Utkarsh Dubey	Currency Research Associate	<a href="mailto:Utkarsh.dubey@nirmalbang.com">Utkarsh.dubey@nirmalbang.com</a>

This Document has been prepared by Nirmal Bang Securities Pvt. Ltd. The information, analysis and estimates contained herein are based on Nirmal Bang Securities Research assessment and have been obtained from sources believed to be reliable. This document is meant for the use of the intended recipient only. This document, at best, represents Nirmal Bang Securities Research opinion and is meant for general information only. Nirmal Bang Securities Research, its directors, officers or employees shall not in any way be responsible for the contents stated herein. Nirmal Bang Securities Research expressly disclaims any and all liabilities that may arise from information, errors or omissions in this connection. This document is not to be considered as an offer to sell or a solicitation to buy any securities. Nirmal Bang Securities Research, its affiliates and their employees may from time to time hold positions in securities referred to herein. Nirmal Bang Securities Research or its affiliates may from time to time solicit from or perform investment banking or other services for any company mentioned in this document.