

## Daily Bullion Physical Market Report

Date: 28<sup>th</sup> March 2024

### Daily India Spot Market Rates

Description	Purity	AM	PM
Gold	999	66420	66834
Gold	995	66154	66566
Gold	916	60840	61220
Gold	750	49815	50126
Gold	585	38856	39098
Silver	999	73801	73997

Rate as exclusive of GST as of 27<sup>th</sup> March 2024 Gold is Rs/10 Gm & Silver in Rs/Kg

### Gold and Silver 999 Watch

Date	GOLD*	SILVER*
27 <sup>th</sup> March 2024	66716	73997
26 <sup>th</sup> March 2024	66716	74279
22 <sup>nd</sup> March 2024	66268	74052
21 <sup>st</sup> March 2024	66914	75045

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

### COMEX Futures Watch

Description	Contract	Close	Change	%Chg
Gold(\$/oz)	JUN 24	2199.20	1.00	0.05
Silver(\$/oz)	MAY 24	24.62	-0.27	-1.08

### ETF Holdings as on Previous Close

ETFs	In Tonnes	Net Change
SPDR Gold	835.33	0.00
iShares Silver	13,106.64	11.38

### Gold and Silver Fix

Description	LTP
Gold London AM Fix(\$/oz)	2193.45
Gold London PM Fix(\$/oz)	2179.80
Silver London Fix(\$/oz)	24.83

### Bullion Futures DGCX

Description	Contract	LTP
Gold(\$/oz)	APR. 24	2197.2
Gold Quanto	JUNE 24	66134
Silver(\$/oz)	MAY. 24	24.57

### Gold Ratio

Description	LTP
Gold Silver Ratio	89.31
Gold Crude Ratio	26.94

### 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	16827.38	-7.52	-0.04 %

### Macro-Economic Indicators

Time	Country	Event	Forecast	Previous	Impact
28th March 06:00 PM	United States	Final GDP q/q	3.2%	3.2%	High
28th March 06:00 PM	United States	Unemployment Claims	212K	210K	High
28th March 06:00 PM	United States	Final GDP Price Index q/q	1.6%	1.6%	Medium
28th March 07:15 PM	United States	Chicago PMI	45.9	44.0	Medium
28th March 07:30 PM	United States	Pending Home Sales m/m	1.4%	-4.9%	High
28th March 07:30 PM	United States	Revised UoM Consumer Sentiment	76.5	76.5	High
28th March 07:30 PM	United States	Revised UoM Inflation Expectations	-	3.0%	Low

## Nirmal Bang Securities - Daily Bullion News and Summary

❖ Gold pared most of its early gains as traders awaited fresh clues on the Federal Reserve's interest rate path. The dollar erased early losses, weighing on greenback-denominated bullion. Investors are awaiting the Fed's preferred measure of underlying inflation, due for release Friday. It's expected to show inflation probably remained uncomfortably high in February, potentially hindering plans by US policymakers to implement three rate cuts this year. Swaps markets show wagers on a June rate reduction are at 63%, down from 69% late last week, after Fed Bank of Atlanta President Raphael Bostic on Monday reiterated his expectation for just one cut this year. Lower borrowing costs typically benefit the precious metal, which doesn't bear interest. Still, gold remains near an all-time high of \$2,220.89 set on Thursday as the central bank's long-awaited pivot to monetary easing builds momentum in the market. While the expected pivot by the Fed is positive for non-interest-bearing gold, the sharp rally over the past month has been marked by often-outsized moves that lacked a clear catalyst to justify the gains, as investors piled into the bullion market. Persistent tensions in the Middle East and Ukraine have bolstered the precious metal's role as a haven asset, while central bank buying supported prices at historically high levels over the past year, despite rising rates.

❖ Investors have been holding their breath for rate cuts from the Federal Reserve, but there's no reason the central banks needs to do anything at all right now. According to JPMorgan strategist Oksana Aronov, there's not a compelling reason the central bank would lower rates in the current environment. "If I'm Jerome Powell, what really is the impetus for me to do anything right now?" Aronov, head of market strategy and fixed income, said in a CNBC interview. "The economy is doing fine, unemployment is below what the Fed considers to be neutral, the inflation rate is above — even in their longer term projections — their target, and the economy does not seem to be restricted by these rates." Basically, don't try to fix what isn't broken. "In the absence of anything breaking down, it's hard to see why they would do anything here," she added. In fact, growth projections for 2024 have only increased, Aronov noted. The latest summary of economic projections from the Fed shows that officials expect the change in real GDP to notch 2.1% this year, as opposed to the 1.4% projected in December. Other economists like Apollo's Torsten Slok have also forecasted zero rate cuts this year. Should that turn out to be the case, it would be a problem for fixed-income investors.

❖ Asset managers kept unwinding bullish Treasury futures bets ahead of the Federal Reserve's most recent policy meeting, a defensive move that sent net long positions for "real money" investors such as pension funds and insurance companies to the lowest in eight months. The selling pressure, reflected in CFTC data through March 19, matched a backup in US yields since early February, as investors pushed back expectations for rate cuts following reports showing stubborn inflation. Along with contributing to the selloff in Treasuries, the unwind in futures also signaled the potential that some asset managers were paring back on basis trades — wagers that seek to profit from gaps between prices on Treasuries and futures — and instead pivoting to credit. US Treasuries declined in the days leading up to last week's two-day policy meeting, only to reverse course and rally after the Fed left intact its median estimate for three rate cuts this year. While the cash market has turned around, there still may be further unwinding of Treasury futures bets, though, as the derivatives market tends to lag movements in underlying bonds, Bank of America strategists including Meghan Swiber say in a Monday note. Meanwhile, separate fresh data shows the appetite for taking on interest-rate risk in the cash market remains strong. The latest JPMorgan Chase & Co.'s client survey released Tuesday showed investors are the most bullish on Treasuries since December, on a net-long basis.

❖ Stubborn inflation in the UK means the Bank of England won't cut interest rates ahead of the European Central Bank and the Federal Reserve -- a scenario some traders are positioning for. BOE Governor Andrew Bailey remarked last week that "all our meetings are in play" for a possible rate cut as the UK economy has been "effectively disinflating at full employment". Those comments have spurred a rally in front-end gilts, concurrent with overnight indexed swaps that are now pricing in three rate cuts by the end of the year — about as much as they expect from the ECB and the Fed. Sticky inflation, though, may not afford the BOE as much room to cut as the markets reckon. Yes, headline inflation in the UK has slowed from a peak of about 11% to a little above 3%, and the BOE expects it to crumble to 2% in the spring before picking up again. But the re-acceleration in inflation is something the markets seem to be glossing over. Then there is stubborn services inflation — which holds the key to getting a sustained rate that is below the BOE target. The UK's headline inflation peaked in October 2022, when the services gauge was running at 6.3%. Last month, services measured 6.1% — so for all the progress the UK has made in terms of the headline metric, there is relatively little to show for in terms of a segment of the economy that accounts for more than 80% of national output. If that plumbing fix in the kitchen or an outing to your neighborhood high-street restaurant are going to cost more than 6% more than they did a year ago, it's hard to be optimistic that inflation will stay docile for too long. Two-year gilts, which were sold off in the first two months of the year, have tried to make a comeback in March and may well end the month with a slate of gains. However, at around 4.18% now, the yield reflects too much optimism on the putative path of the BOE and too little of the on-the-ground reality. We started the year with the UK confronting the worst inflation challenge among the bigger economies, and that still strikes me as being true. That means it may be a mistake to position for what could happen in terms of BOE policy loosening and look at what is likely to happen.

**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 gold prices held a two-day rally to remain close to its record, as investor focus shifts to US data later this week that could influence the nation's monetary-easing trajectory.

### 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	73100	73700	74300	74800	75400	76000

## Nirmal Bang Securities - Daily Currency Market Update

### Dollar Index

LTP/Close	Change	% Change
104.30	0.07	0.07

### Bond Yield

10 YR Bonds	LTP	Change
United States	4.2316	-0.0138
Europe	2.3490	-0.0220
Japan	0.7390	0.0050
India	7.0900	-0.0030

### Emerging Market Currency

Currency	LTP	Change
Brazil Real	4.9816	0.0064
South Korea Won	1339.55	-2.7000
Russia Rubble	92.4751	-0.4249
Chinese Yuan	7.2167	0.0053
Vietnam Dong	24775	16
Mexican Peso	16.6428	-0.0309

### NSE Currency Market Watch

Currency	LTP	Change
NDF	83.4	-0.01
USDINR	83.3625	-0.3625
JPYINR	55.46	-0.1525
GBPINR	105.5075	0.17
EURINR	90.56	-0.075
USDJPY	151.31	-0.08
GBPUSD	1.2644	0.0025
EURUSD	1.0856	0.0019

### Market Summary and News

❖ The Federal Reserve's expenses exceeded its earnings in 2023 by \$114.3 billion, its largest operating loss ever, forcing the US central bank to forgo remittances to the Treasury as interest rates remain elevated. An interest expense, which includes reserves balances at the Fed's reverse repo operations, nearly tripled to a \$281.1 billion in 2023, according to audited financial statements released Tuesday. Meanwhile, the Fed's interest income earned on its portfolio of assets totaled \$163.8 billion last year, compared with roughly \$170 billion in 2022. After covering its day-to-day operating expenses, the central bank is required to send the money it earns on its securities portfolio to the Treasury, where the revenue helps offset federal deficits. When expenses exceed earnings, as they have since late 2022, the Fed issues a deferred asset to the Treasury, which the central bank said has no implications for the conduct of monetary policy. This deferred asset grew by \$116.7 billion last year, to a record \$133.3 billion, the Fed said. The numbers largely confirm information from the Fed's preliminary financial statements, released in January. The Fed receives income from the securities in its portfolio and pays interest on reserves held at the Fed by banks. That generated massive earnings when rates were nearly zero, and huge payments to the Treasury, but that changed as the Fed began raising rates in March 2022. Interest payments to banks on excess reserves parked at the Fed totaled a record \$176.8 billion last year, nearly triple the amount paid in 2022. Most regional Fed banks began suspending remittance payments to Treasury in September 2022.

❖ The dollar recouped earlier losses and turned higher against most of its Group-of-10 peers as hedging flows before month-end and firmer Treasury 2-year yields buoyed the greenback. The Swiss franc fell amid speculative sales and portfolio adjustments for quarter-end. The Bloomberg Dollar Spot Index is flat after being down as much as 0.2%; corporate hedging flows helped lift the greenback. Barclay's passive month-end rebalancing model shows moderate USD selling against most majors. "A golden cross (systematic) signal has occurred and favors a supported or stronger DXY in Q2," says Paul Ciana, CMT, Technical Strategist at BofA Securities; recommends buying a seasonal dollar dip in April. Implieds drop broadly except the Swiss franc; DTCC volumes show strong activity in yuan options for a third day. Yield on 2-year Treasury note is up 1bp to 4.59%. Preliminary durable goods orders rose 1.4% in February, beating estimates, though prior month was revised lower; US consumer confidence unexpectedly dipped in March. The pound gave up gains seen after BOE's Catherine Mann said financial markets are pricing in too many interest rate cuts this year and that it's unlikely the UK will move before the Fed. GBP/USD trade flat at 1.2635; EUR/GBP holds near a two-month high. Nomura enters a long GBP/CHF trade, targeting 1.18 by the end of June with a stop at 1.1250 (current spot around 1.14). EUR/USD is down marginally at 1.0834, after a gain of 0.3%, as corporate flows weighed; gains were capped earlier by large expiries Tuesday at 1.0860-65. EUR/CHF rises as much as 0.7% to 0.9814, highest since June 28, amid speculative and option-related buying. EUR/SEK overnight volatility rises by nearly 6 vols to touch 11.46% as focus turns to Wednesday's Riksbank decision. USD/JPY is up 0.1% at 151.53 as implieds drop across tenors; CHF/JPY slips to a more than one-week low. USD/CAD dips ~0.1% to 1.3573. The Bank of Canada's No. 2 official says fixing the country's faltering productivity would allow for more economic growth without stoking inflation. AUD/USD is down 0.1% at 0.6536, giving up earlier gains as commodity prices slip.

❖ The Indian rupee rose after marking a record low close last Friday. Bonds were little changed after a state government debt sale. USD/INR fell 0.2% to 83.2888. The pair rose to 83.4250, its highest close ever, on Friday. We see the previous session's drop in the rupee as "a temporary one because we expect RBI to intervene strongly," said Amit Pabari, managing director at CR Forex. "The currency pair should face tough resistance at 83.50 and move back toward 82.80 to 83 levels by 15 April. Dollar selling by IT companies in the last week of March can also support the rupee." 10-year yields steady at 7.09%. Indian state governments sold 550.3b rupees (\$6.6b) of bonds, less than the 600.3b rupees planned on the day. RBI added 1t rupees of liquidity at a 6.69% cut-off rate in a 1-day variable rate repo auction.

### Key Market Levels for the Day

	S3	S2	S1	R1	R2	R3
USDINR Spot	83.0325	83.1075	83.2055	83.3875	83.4650	83.6175

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

**Gold Market Update**



Market View	
Open	65949
High	66439
Low	65880
Close	66114
Value Change	92
% Change	0.14
Spread Near-Next	572
Volume (Lots)	5983
Open Interest	6055
Change in OI (%)	-29.02%

**Gold - Outlook for the Day**

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

**Silver Market Update**



Market View	
Open	74829
High	75244
Low	74280
Close	74518
Value Change	-405
% Change	-0.54
Spread Near-Next	1470
Volume (Lots)	12444
Open Interest	23037
Change in OI (%)	-4.25%

**Silver - Outlook for the Day**

**SELL SILVER MAY (MCX) AT 74850 SL 75350 TARGET 74000/73800**

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

**USDINR Market Update**



Market View	
Open	83.2
High	83.6125
Low	83.2
Close	83.3625
Value Change	-0.3625
% Change	-0.433
Spread Near-Next	-0.1297
Volume (Lots)	3055916
Open Interest	3981229
Change in OI (%)	24.89%

**USDINR - Outlook for the Day**

The USDINR future witnessed a gap-down opening at 83.20, which was followed by a session where price shows profit taking from higher level with candle closures near mid-point of the day. A long candle formed by the USDINR price where price closed above short-term moving average. On the daily chart, the MACD showed a positive crossover below the zero-line, while the momentum indicator, RSI trailing between 60-70 levels showed positive indication. We are anticipating that the price of USDINR futures will fluctuate today between 83.25 and 83.48.

**Key Market Levels for the Day**

	S3	S2	S1	R1	R2	R3
USDINR April	83.0525	83.1575	83.2575	83.4875	83.5925	83.7175

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