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India Bullion and Jewellers Associations Ltd. Since 1919

India Bullion And Jewellers Association Ltd. Celebrating 103 Years 1919 - 2022

Daily Bullion Physical Market Report

Date: 28th July 2022

Daily India Spot Market Rates

Description	Purity	AM	PM
Gold	999	50780	50842
Gold	995	50577	50638
Gold	916	46514	46571
Gold	750	38085	38132
Gold	585	29706	29743
Silver	999	54411	54840

*Rate as exclusive of GST as of 27th July 2022 Gold is Rs/10 Gm & Silver in Rs/Kg

Gold and Silver 999 Watch

Date	GOLD*	SILVER*
27th June 2022	50842	54840
26th June 2022	50760	54155
25th June 2022	50911	54727
22nd June 2022	50816	55009

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

COMEX Futures Watch

Description	Contract	Close	Change	%Chg
Gold($/oz)	DEC 22	1737.50	1.80	0.10
Silver($/oz)	SEPT 22	18.60	0.07	0.35

ETF Holdings as on Previous Close

ETFs	Long	Short
SPDR Gold	1,005.29	0.00
iShares Silver	15,414.82	-108.98

Gold and Silver Fix

Description	LTP
Gold London AM Fix($/oz)	1723.95
Gold London PM Fix($/oz)	1714.05
Silver London Fix($/oz)	18.77

Bullion Futures DGCX

Description	Contract	LTP
Gold($/oz)	August 22	1741
Gold Quanto	August 22	50694
Silver($/oz)	SEPT. 22	19.01

Gold Ratio

Description	LTP
Gold Silver Ratio	93.41
Gold Crude Ratio	17.86

Weekly CFTC Positions

	Long	Short	Net
Gold($/oz)	98266	107987	-9721
Silver	36890	50379	-13489

MCX Indices

Index	Close	Net Change	% Chg
MCX iCOMDEX Bullion	13898.99	36.23	0.26 %

Macro-Economic Indicators

Time	Country	Event	Forecast	Previous	Impact
28th July 06:00 PM	United States	Advance GDP q/q	0.4 %	-1.6 %	HIGH
28th July 06:00 PM	United States	Advance GDP Price Index q/q	7.9 %	8.2 %	MEDIUM
28th July 06:00 PM	United States	Unemployment Claims	253 K	251 K	MEDIUM

Nirmal Bang Securities - Daily Bullion News and Summary

❖ Gold extended gains after Federal Reserve chairman Jerome Powell said that it will likely be appropriate for the central bank to slow rate increases at some point. raised the benchmark rate by an expected 75 basis points, though continuing concerns of an economic slowdown muted gains. Powell's comment in a news conference came after the Fed raised rates by an expected 75 basis points, the second consecutive increase of that size. Another big rate-boost at a later meeting would depend on data, he said. Powell also said the bank would offer less "clear guidance" on rate moves. The metal climbed along with stocks, while Treasury yields and the dollar tumbled. Despite the rally, gold is heading for a fourth straight monthly loss -- after dropping to the lowest since March 2021 last week. Meanwhile, the International Monetary Fund cut its global growth outlook for this year and next, warning that the world economy may soon be on the cusp of a recession. Global economic expansion will likely slow to 3.2% in 2022, and the series of rate hikes that central banks have unleashed to contain inflation "is expected to bite" in 2023, the IMF said in an update to its World Economic Outlook released Tuesday. There are already some signs of a slowdown. Data Tuesday showed US consumer confidence sank to the lowest level since February 2021, while new home sales fell for the fifth time this year. More statistics on durable goods orders, mortgage applications and inventories will come on Wednesday.

❖ Exchange-traded funds cut 41,711 troy ounces of gold from their holdings in the last trading session, bringing this year's net purchases to 3.67 million ounces, according to data compiled by Bloomberg. This was the 19th straight day of declines, the longest losing streak since March 15, 2021. The sales were equivalent to $71.6 million at yesterday's spot price. Total gold held by ETFs rose 3.8 percent this year to 101.5 million ounces, the lowest level since March 3. ETFs also cut 38,682 troy ounces of silver from their holdings in the last trading session, bringing this year's net sales to 78.5 million ounces. This was the fourth straight day of declines.

❖ Demand for gold jewelry may slip due to weaker economic growth in the biggest markets, according to the World Gold Council. A combination of China's strict Covid Zero policy and struggling real-estate sector likely will cause a slow recovery in demand there, the WGC wrote in its quarterly report. India, another top consumer, also may see lower buying due to the falling rupee and a higher import duty. Jewelry demand has been weaker after 2021, driven by lockdowns in China and the strengthening dollar, which makes gold bought in local currencies more expensive. Spot prices have slumped since rising near a record following Russia's invasion of Ukraine. "As many countries face economic weakness and the cost-of-living crises continue to squeeze spending, consumer driven demand will likely soften, although there should be pockets of strength," Louise Street, a senior analyst for the council, said in a statement. Investor buying of gold should be broadly flat through the rest of the year as tighter monetary policy by central banks diminishes the allure of the non-interest bearing asset, according to the WGC. Bar and coin demand likely will remain healthy due to the bleak economic backdrop. China's jewelry demand fell 42% quarter-on-quarter to 103.5 tons, and was down 29% from a year earlier. Global jewelry purchases fell 4% from the previous quarter, driven by the drop in China. Overall investment demand plunged 62% from the first quarter to 205.8 tons, led by exchange-traded funds. Central banks added 179.9 tons, almost double the previous quarter. Total supply rose about 2% from previous quarter as mined production increased.

❖ Jerome Powell said the Federal Reserve will press on with the steepest tightening in a generation to curb inflation while giving officials more flexibility on coming moves amid signs of a broadening economic slowdown. Policy makers raised the benchmark lending rate 75 basis points on Wednesday to a range of 2.25% to 2.5% and said they anticipate "ongoing increases" will be appropriate. Just how much depends on the data, the central bank chief said, stepping away from the specific guidance he gave at the June meeting, though he didn't take another similar-sized move off the table. "While another unusually large increase could be appropriate at our next meeting, that is a decision that will depend on the data," Powell said. "The labor market is extremely tight, and inflation is much too high." Central bankers are trying to tame the highest inflation in 40 years. With the latest shift toward a more real-time approach to policy, Powell is trying to convey that the Fed will keep pushing rates higher as long as prices continue to jump too fast for comfort. The strategy does raise risks of overshooting, however. Data lags behind what's happening on the ground, while interest-rate increases can take months to filter through the economy. "We heard plenty of hawkish signals, including refusal to even contemplate that we are in a recession with strong job market gains and many references that restoring price stability is being prioritized over sidestepping a recession," said Jonathan Millar, economist with Barclays Plc. "Powell does not seem to be ruling out 100 or 75 basis-point hikes in September -- it's data dependent." Interest-rate markets are pricing a more benign hiking cycle than the Fed's own June forecasts, which Powell said was the best current guide to the where officials see policy heading.

❖ The Federal Reserve early next year will need to put the brakes on the process of shedding some of the roughly $4 trillion of US Treasury and mortgage bonds added to its balance sheet starting in March 2020. That's the prediction of Barclays Plc analysts, who say that draining reserves from the banking system by effectively returning securities to the private market will reach a practical limit during the first quarter. Banks have about $3 trillion of reserves parked at the Fed. While the Fed's balance sheet is on pace to shrink by less than $500 billion by year-end, other factors will contribute to reserves falling to $2.1 trillion during the first quarter of 2023. At that level, financial institutions are likely to start to compete more aggressively for deposits, the effect of which would be to push short-term interest rates higher, including the effective fed funds rate targeted by US monetary policy. As an offset, the Fed could curtail its overnight reverse repurchase facility, where a shortage of Treasury bills has caused daily balances to routinely exceed $2 trillion in the past two months. Tapering balance-sheet reduction "makes more sense than forcing money out of the RRP since it would allow markets time to adjust and pull money out of the program voluntarily," Barclays strategist Joseph Abate and economist Jonathan Millar wrote in a report. "It also means that banks would not need to adjust their deposit rates abruptly and keep bank lending rates from tightening financial conditions too sharply." The Fed started its so-called quantitative tightening program in June by replacing its maturing Treasury and mortgage-bond holdings only in excess of a monthly runoff cap. Beginning in September those limits are set to increase to maximum levels of $60 billion and $35 billion per month, respectively.

❖ **Fundamental Outlook**: Gold and silver prices are trading higher on international bourses. We expect precious metals prices on Indian bourses to trade higher for the day for the day. We recommend buy on dips in gold and silver in intra-day trading sessions as gold rose for a second day after the Federal Reserve signaled that it may slow the pace of interest rate increases, a move that hurt the dollar and pushed Treasury yields lower.

Key Market Levels for the Day

Time	Month	S3	S2	S1	R1	R2	R3
Gold – COMEX	August	1660	1680	1710	1750	1765	1780
Silver – COMEX	September	18.55	18.80	19.05	19.30	19.65	19.95
Gold – MCX	August	50400	50650	50850	51100	51350	51550
Silver – MCX	September	54500	55000	55700	56200	56800	57300

Nirmal Bang Securities - Daily Currency Market Update

Dollar Index

LTP/Close	Change	% Change
106.45	-0.74	-0.69

Bond Yield

10 YR Bonds	LTP	Change
United States	2.7849	-0.0109
Europe	0.9430	0.0210
Japan	0.2000	-0.0030
India	7.3390	-0.0260

Emerging Market Currency

Currency	LTP	Change
Brazil Real	5.2441	-0.1072
South Korea Won	1313.25	-9.4000
Russia Rubble	60.9271	0.7278
Chinese Yuan	6.759	-0.0113
Vietnam Dong	23378	-5
Mexican Peso	20.407	-0.0182

NSE Currency Market Watch

Currency	LTP	Change
NDF	80.06	-0.05
USDINR	80.135	0.095
JPYINR	58.775	0.0575
GBPINR	96.75	0.7125
EURINR	81.6325	0.23
USDJPY	136.38	0.08
GBPUSD	1.2077	0.0077
EURUSD	1.0192	0.0023

Market Summary and News

❖ Britain will have the slowest growth among major industrialized nations next year as double-digit inflation and rising interest rates squeeze household spending, the International Monetary Fund said. In its latest forecast, the fund downgraded the outlook for global growth and warned that the world economy was so fragile it may tip into outright recession. For now, it stopped short of predicting contractions for the leading economies. The UK was downgraded sharply for both 2022 and 2023, reflecting an increase in the forecast for peak inflation from 7.8% to 10.5% at the end of this year, the institution's World Economic Outlook update showed. In 2022, the UK will expand 3.2% the second fastest in the Group of Seven advanced economies after Canada. In 2023, Britain drops to the bottom of the pack with just 0.5% growth. The IMF's warning will feed the bitter leadership race to succeed Boris Johnson as prime minister in which the economy has emerged as the central battleground. Foreign Secretary Liz Truss has accused her rival, former Chancellor of the Exchequer Rishi Sunak, of driving the economy into recession with tax rises. He has faults her fro planning to stoke inflation, which is already at a 40 year high of 9.4%, with promises to cut taxes. Inflation is eating into household incomes, causing misery and the worst cost of living crisis in decades. The IMF said sub-inflation pay rises "are eroding household purchasing power," and causing slower growth. Truss' tax cuts would add 0.6% to 2023 GDP, which would lift the UK's growth rate above France, Germany, Italy and the US on the IMF forecasts. The tax cuts would also add 0.4 percentage points to inflation and mean interest rates rise an extra half a percentage point. Markets expect UK rates to reach 3%. The biggest risks to growth globally are inflation and rates, the IMF said. An escalation in the war in Ukraine that causes energy and food costs to soar further, a cut-off of Russian gas supplies, tight labor markets that enable workers to extract higher pay settlements, and higher interest rates could tip countries into contraction. The IMF has said previously that the UK faces a particularly severe inflation problem, with both the high energy prices Europe is experiencing and the job shortages seen in the US.

❖ The rupee declined with regional peers amid risk aversion before the Federal Reserve's interest-rate decision. Bonds gained, tracking a global fall in yields on growth concerns. USD/INR rose 0.2% to 79.9025. The market is braced for higher volatility for the remaining days of the week as the Fed meeting and US GDP are lined up. RBI is likely geared up to battle potential rupee depreciation, but traders should still cover their position. 10-year yields down 3 bps to 7.34%; dropped 11 bps in the last five trading sessions. Indian Rupee is mirroring the rally across the world with fears of severe growth slowdown and a correction in commodity prices which is giving the impression that inflation may have peaked. The revenue implication of excise duty cuts would be around 1t rupees for the full financial year, Finance Minister Nirmala Sitharaman said in a Parliament reply.

❖ Jerome Powell said the Federal Reserve will press on with the steepest tightening in a generation to curb inflation while giving officials more flexibility on coming moves amid signs of a broadening economic slowdown. Policy makers raised the benchmark lending rate 75 basis points on Wednesday to a range of 2.25% to 2.5% and said they anticipate "ongoing increases" will be appropriate. Just how much depends on the data, the central bank chief said, stepping away from the specific guidance he gave at the June meeting, though he didn't take another similar-sized move off the table. "While another unusually large increase could be appropriate at our next meeting, that is a decision that will depend on the data," Powell said. "The labor market is extremely tight, and inflation is much too high." Central bankers are trying to tame the highest inflation in 40 years. With the latest shift toward a more real-time approach to policy, Powell is trying to convey that the Fed will keep pushing rates higher as long as prices continue to jump too fast for comfort. The strategy does raise risks of overshooting, however. Data lags behind what's happening on the ground, while interest-rate increases can take months to filter through the economy. "We heard plenty of hawkish signals, including refusal to even contemplate that we are in a recession with strong job market gains and many references that restoring price stability is being prioritized over sidestepping a recession," said Jonathan Millar, economist with Barclays Plc. "Powell does not seem to be ruling out 100 or 75 basis-point hikes in September -- it's data dependent." Interest-rate markets are pricing a more benign hiking cycle than the Fed's own June forecasts, which Powell said was the best current guide to the where officials see policy heading.

Key Market Levels for the Day

	S3	S2	S1	R1	R2	R3
USDINR Spot	79.3000	79.5000	79.7500	80.0000	80.1500	80.3800

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Nirmal Bang Securities - Bullion Technical Market Update

Gold Market Update

Market View	
Open	50568
High	50753
Low	50505
Close	50720
Value Change	136
% Change	0.27
Spread Near-Next	0
Volume (Lots)	4913
Open Interest	1935
Change in OI (%)	-51.52%

Gold - Outlook for the Day

After fed hike gold, hit an immediate spike and trading above $ 1810. We recommend going long between $ 1820-1830 for target of $ 1850-1870.

BUY GOLD AUG (MCX) AT 50850 SL 50600 TARGET 51100/51350

Silver Market Update

Market View	
Open	54605
High	55125
Low	54331
Close	54844
Value Change	129
% Change	0.24
Spread Near-Next	5156
Volume (Lots)	16055
Open Interest	22834
Change in OI (%)	-1.68%

Silver - Outlook for the Day

Similarly in silver we seen sharp spike from $ 18.60 to $ 19.20-19.30. We are recommending going long for target 19.50-70 in today's session.

BUY SILVER SEPT (MCX) AT 55700 SL 55000 TARGET 56700/57200

Nirmal Bang Securities - Currency Technical Market Update

USDINR Market Update

Market View	
Open	80.0325
High	80.1625
Low	80.025
Close	80.135
Value Change	0.095
% Change	0.12
Spread Near-Next	-1.4384
Volume (Lots)	3110059
Open Interest	3349552
Change in OI (%)	25.16%

USDINR - Outlook for the Day

USDINR witnessed a positive open at 80.03 followed by a session in green marking the high at 80.16 with closure near the same. USDINR has formed a small green candle but is trading in a consolidated range indicating resistance at higher levels. The pair has given closure below the short term SMA while holding support at medium and long term SMA. USDINR, if trades below 80, the momentum will trade on a weaker note towards 79.85 -79.72. But momentum above 80.25 would lead momentum towards 80.38 – 80.55. The daily strength indicator RSI and momentum oscillator Stochastic both are in negative zone with crossing their respective signal line thus indicating negative bias.

Key Market Levels for the Day

	S3	S2	S1	R1	R2	R3
USDINR July	79.5000	79.7000	79.8800	80.1700	80.3500	80.4800

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