



Daily Bullion Physical Market Report

Date: 30th September 2022

Daily India Spot Market Rates

Description	Purity	AM	PM
Gold	999	50010	50003
Gold	995	49810	49803
Gold	916	45809	45803
Gold	750	37508	37502
Gold	585	29256	29252
Silver	999	55445	55658

*Rate as exclusive of GST as of 29th September 2022 Gold is Rs/10 Gm & Silver in Rs/Kg

Gold and Silver 999 Watch

Date	GOLD*	SILVER*
29th September 2022	50003	55658
28th September 2022	49505	54524
27th September 2022	49529	55391
26th September 2022	49590	55374

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

COMEX Futures Watch

Description	Contract	Close	Change	%Chg
Gold(\$/oz)	DEC 22	1668.60	-1.40	-0.08
Silver(\$/oz)	DEC 22	18.71	-0.17	-0.89

ETF Holdings as on Previous Close

ETFs	Long	Short
SPDR Gold	941.15	0.29
iShares Silver	14,926.69	-20.06

Gold and Silver Fix

Description	LTP
Gold London AM Fix(\$/oz)	1646.60
Gold London PM Fix(\$/oz)	1654.80
Silver London Fix(\$/oz)	18.67

Bullion Futures DGCX

Description	Contract	LTP
Gold(\$/oz)	OCT. 22	1670.1
Gold Quanto	OCT. 22	50014
Silver(\$/oz)	DEC. 22	18.82

Gold Ratio

Description	LTP
Gold Silver Ratio	89.17
Gold Crude Ratio	20.54

Weekly CFTC Positions

	Long	Short	Net
Gold(\$/oz)	84887	117853	-32966
Silver	37007	44102	-7095

MCX Indices

Index	Close	Net Change	% Chg
MCX iCOMDEX Bullion	13813.28	-22.35	-0.16 %

Macro-Economic Indicators

Time	Country	Event	Forecast	Previous	Impact
30 th September 06:00pm	United States	Core PCE Price Index m/m			High
30 th September 06:00pm	United States	Personal Income m/m			Low
30 th September 06:00pm	United States	Personal Spending m/m			Low
30 th September 06:30pm	United States	FOMC Member Brainard Speaks	-	-	Medium
30 th September 07:15pm	United States	Chicago PMI	-	-	Low
30 th September 07:30pm	United States	Revised UoM Consumer Sentiment			Medium
30 th September 08:30pm	United States	FOMC Member Bowman Speaks	-	-	Low
01 st October 01:45am	United States	FOMC Member Williams Speaks	-	-	Low



Nirmal Bang Securities - Daily Bullion News and Summary

❖ Gold fluctuated amid in a broad selloff as investors sought shelter in cash after the latest US economic data paved the way for more aggressive tightening from the Federal Reserve. Better-than-expected 2Q core PCE, a measure of inflation, and personal consumption numbers on Thursday suggested the US economy can handle further Fed tightening. Weekly jobless claims fell to the lowest since April, showing a persistently tight labor market. Bullion struggled to make an upward move after earlier falling as much as 1.1% on renewed strength in the US dollar as recession concerns returned after the Bank of England's move to restore calm. Bullion has suffered in the past two weeks as the greenback strengthened to record levels, with the metal hitting its lowest level in more than two years earlier in the week.

❖ Exchange-traded funds cut 183,784 troy ounces of gold from their holdings in the last trading session, bringing this year's net sales to 382,781 ounces, according to data compiled by Bloomberg. This was the ninth straight day of declines. The sales were equivalent to \$305.1 million at yesterday's spot price. Total gold held by ETFs fell 0.4 percent this year to 97.5 million ounces, the lowest level since May 12, 2020. Gold declined 9.3 percent this year to \$1,659.97 an ounce. State Street's SPDR Gold Shares, the biggest precious-metals ETF, maintained its holdings in the last session. ETFs also cut 656,652 troy ounces of silver from their holdings in the last trading session, bringing this year's net sales to 122.4 million ounces. This was the third straight day of declines.

❖ Global GDP is dropping rapidly as central banks increase restraint and rising gold on a non-dollar basis is showing the kind of stress that may break the Federal Reserve's rate-hike trajectory. We see gold forming a foundation akin to 1999 and base metals facing a lose-lose scenario. The disparity in dollar-denominated gold vs. euro-based is nearing levels that formed a lasting foundation for the metal's price in 1999. Down about 10% in 2022 to Sept. 28, dollar gold compares with respective gains of 5% and 10% for the euro and yen. Aggressive Fed tightening to address inflation and elevated asset prices -- which is buoying the greenback, as the rest of the world tries to catch up -- echoes trends about two decades ago. Underpinnings are firming for the price of gold to resume the rally that started with that base. Our graphic shows the elongated upward trajectory in dollar gold and this year's new high in euro terms. The relative discount in the dollar vs. euro gold spread is showing currency distress and suggests a potential catalyst for a gold bottom -- an easing of Fed rate-hike expectations.

❖ The Federal Reserve is committed to raising interest rates until it restores price stability and should try to do so in a manner that avoids a difficult downturn, said San Francisco Fed President Mary Daly. "Resolute to our goals, the Fed has raised the benchmark interest rate rapidly this year, and projects additional increases will be needed," Daly said Thursday in prepared remarks at Boise State University in Idaho. "These are necessary and appropriate adjustments, taken to put the economy back on a solid footing." Daly, who has echoed her central bank colleagues in vowing to keep raising interest rates in order to cool demand, repeated concerns she raised earlier this week about tightening policy too much, and the implications that could have for the US economy. She said the costs of both doing too little, which could allow inflation expectations to increase, and too much, which could cause an "unnecessary and painful downturn," are high. "For now, inducing a deep recession does not seem warranted by conditions, nor is it necessary to achieve our goals," Daly said. "Successful policy will require vigorous analysis, extreme data dependence, and a resolute commitment to delivering on our mandate." In a speech titled "The Singularity of the Dual Mandate," Daly said the Fed's two goals -- price stability and maximum employment -- are intertwined and that characterizing these as tradeoffs is not the right way to look at the Fed's mission. The two parts of the mandate are the foundation to economic security, she said. "Seen in this light, the Federal Reserve actually has a singular purpose: to keep the economy on a sustainable path by delivering low, stable prices and durable labor market strength," Daly said.

❖ Federal Reserve Bank of Cleveland President Loretta Mester said the US central bank has to keep tightening policy to get prices under control, adding that she expects interest rates may need to go a little higher than a number of her colleagues expect. "We have a little more work to do on getting the funds rate up," Mester said Thursday during an interview with Bloomberg. She also played down the likelihood that damage done by Hurricane Ian, which has hammered Florida, would have any effect on Fed policy. "It looks like it's going to be very devastating for one region of the economy," Mester said. "But it doesn't look at this point to have broader macro implications." Fed officials lifted interest rates by 75 basis points last week for the third straight meeting to a range of 3% to 3.25%. They see the Fed's benchmark rate rising a median to 4.4% this year and 4.6% by the end of next year. Mester, who votes on monetary policy in 2022, said that her forecast for how high rates need to go this year and next is slightly above the median projection. 'Bit north' - She said she sees rates landing "a little bit north of that" because she expects inflation to be more persistent. The Fed's quarterly Summary of Economic Projections implies a further 1.25 percentage points of tightening over their remaining two meetings in November and December.

❖ European Central Bank Chief Economist Philip Lane pushed back against calls from his colleagues for another jumbo interest-rate increase in October, saying in an interview with CNBC that it's much too early to decide on the size of the next hike. "It's still four weeks away -- it's a month, there's a lot of data to see between now and then, so I think this debate about what exactly is the next move is something we will decide on the day," Lane said Thursday. "It's not particularly helpful four weeks out from the meeting to discuss the last margin of it." Some of the more hawkish members of the ECB's rate-setting panel have spoken out in recent days in favor of a 75 basis-point hike on Oct. 27 -- a move that would match this month's increase. The comments are being driven by soaring consumer prices, with data Friday expected to show another all-time high for inflation near 10% -- almost five times the official target. Others have appealed for caution as Europe faces the growing likelihood of a recession. Despite the worsening economic backdrop, Lane said the ECB must move away from low borrowing costs and reach a level close to the neutral rate, which neither stimulates nor restricts the economy, if current price trends persist. He said the ECB will raise rates over the next several months.

❖ **Fundamental Outlook:** Gold and silver prices are trading higher on international bourses. We expect precious metals prices on Indian bourses to trade range-bound to higher for the day. We recommend buy on dips in gold and silver in intra-day trading sessions as gold extended an advance and is set to close the week higher, as the lower US dollar helped prop up the precious metal.

Key Market Levels for the Day

Time	Month	S3	S2	S1	R1	R2	R3
Gold – COMEX	December	1600	1620	1630	1660	1685	1700
Silver – COMEX	December	18.10	18.45	18.65	19.00	19.25	19.55
Gold – MCX	October	48670	48850	50100	50300	50500	50750
Silver – MCX	December	54800	55400	56000	56600	57200	57850



Nirmal Bang Securities - Daily Currency Market Update

Dollar Index

LTP/Close	Change	% Change
112.25	-0.35	-0.31

Bond Yield

10 YR Bonds	LTP	Change
United States	3.7856	0.0020
Europe	2.1780	0.0620
Japan	0.2550	0.0010
India	7.3370	0.0030

Emerging Market Currency

Currency	LTP	Change
Brazil Real	5.4001	0.0255
South Korea Won	1439	-7.3500
Russia Rubble	57.561	-0.889
Chinese Yuan	7.1249	-0.0008
Vietnam Dong	23828	-2
Mexican Peso	20.167	0.0071

NSE Currency Market Watch

Currency	LTP	Change
NDF	81.79	0.17
USDINR	82.0175	-0.21
JPYINR	56.88	-0.14
GBPINR	89.0675	1.895
EURINR	79.9125	1.08
USDJPY	144.23	-0.05
GBPUSD	1.0862	0.025
EURUSD	0.9746	0.0163

Market Summary and News

❖ Fed Reverse Repo Use Hits Fresh Record as Investors Hide in Cash. The amount of money that investors are parking at a major Federal Reserve facility climbed to yet another all-time high as funds sought out places to stash short-term cash. Some 101 participants on Wednesday put a total of \$2.367 trillion at the Fed's overnight reverse repurchase agreement facility, in which counterparties like money-market funds can place cash with the central bank. The previous record was \$2.359 trillion set on Sept. 22. The facility pays an overnight rate of 3.05% which increased from 2.30% on Sept. 22 after the Fed hiked its main policy rate by the same increment. It's the highest yield the Fed has offered on the facility since it started the daily offerings in 2013. Participation had been increasing as many investors brace for the prospect of rapidly rising interest rates by keeping the maturity of their holdings as short as possible, enabling them to deploy cash more nimbly if officials tighten monetary policy more quickly than expected. That has spurred flows into overnight instruments that don't have a risk of capital loss, like the so-called RRP, an influx that may continue given the uncertainty surrounding the Fed's rate path. At the same time, there's been a broader shift to cash-like assets as volatility roils financial markets from equities to fixed income.

❖ Consumer price inflation in the German state of North Rhine-Westphalia rose to its highest level since beginning of the 1950s, the state statistical office in Dusseldorf reported. Prices in September rose 10.1% compared to a year earlier, up from 8.1% in August. On a monthly basis prices rose 1.8%. Prices rose mainly due to the termination of the 9-euro ticket for travel on urban and regional trains, as well as higher prices for fuels, vegetables and clothing and shoes. North Rhine-Westphalia is the first German state to report September inflation readings and can often be the first signal of the trend in the overall figure.

❖ Expect the Reserve Bank of India to lift rates by 35 basis points on Sept. 30 after 50-bp hikes at its two previous meetings. It has reason to slow the pace of tightening. Commodity prices have cooled, fiscal steps to curb price gains in food and fuel are working, and its front-loaded hikes have started to damp demand. A smaller hike will limit the impact on growth. It will also diverge from the aggressive tightening track taken by the Federal Reserve. A 35-bp increase in the repo rate to 5.75% will bring the total hikes to 175 bps and the rise in overnight money market rates to 240 bps since April. Also expect that the monetary policy committee to be unanimous in its vote and to keep its stance of withdrawing accommodation. Further ahead, RBI could raise the repo rate to a terminal 6.00% at the December review and shift to a neutral stance. At the terminal level, the real policy rate will be around 1%, based on year-ahead inflation expectations -in line with an RBI study that estimates the neutral rate in a range of 0.8%-1%. On a realized basis, the inflation-adjusted policy rate will turn positive by March 2023, according to our projections. Inflation is set to fall back into its 2%-6% target range as soon as March. This means it needn't tighten as aggressively as before. RBI Governor Shaktikanta Das and other MPC members have said they will chart a policy course based on India's inflation-growth dynamics, rather than being led by the Fed. The RBI allowed the rupee to weaken past 80 per dollar on Sept. 22, dropping its earlier strategy of selling foreign exchange to fight dollar strength. Aggressive Fed tightening could weigh further on global commodity prices offsetting upward pressure on inflation from depreciation in the rupee. A hawkish Fed will probably damp global growth, hurting demand for India's exports. The downside risk to domestic growth will be another reason the RBI can end its tightening cycle soon.

Key Market Levels for the Day

	S3	S2	S1	R1	R2	R3
USDINR Spot	81.1000	81.3500	81.7000	81.9500	82.1500	82.2800



Nirmal Bang Securities - Bullion Technical Market Update

Gold Market Update



Market View	
Open	50062
High	50292
Low	49881
Close	50187
Value Change	2
% Change	0
Spread Near-Next	2114
Volume (Lots)	7017
Open Interest	17510
Change in OI (%)	1.36%

Gold - Outlook for the Day

Gold prices are trading supportive around \$ 1650-45 where we can initiate long positions for the target of \$ 1670-80.

BUY GOLD DEC (MCX) AT 50100 SL 49850 TARGET 50500/50700

Silver Market Update



Market View	
Open	56037
High	56480
Low	55700
Close	56160
Value Change	-368
% Change	-0.65
Spread Near-Next	3840
Volume (Lots)	20217
Open Interest	19232
Change in OI (%)	5.47%

Silver - Outlook for the Day

Silver prices are taking support around \$ 18.40-50 where you can go long for target of \$ 19.00-19.20.

BUY SILVER DEC (MCX) AT 56000 SL 55400 TARGET 57000/57500



Nirmal Bang Securities - Currency Technical Market Update

USDINR Market Update



Market View	
Open	81.9925
High	82.205
Low	81.74
Close	82.0175
Value Change	-0.21
% Change	-0.26
Spread Near-Next	0
Volume (Lots)	3313805
Open Interest	4434522
Change in OI (%)	0.93%

USDINR - Outlook for the Day

USDINR witnessed a gap down at 81.99 followed by a session in zigzag with closure in flat green. USDINR has formed a flat green candle with long shadows on either side indicating consolidation ahead. The pair has given closure above the short, medium and long term SMA on the daily chart. USDINR, if trades below 82, pair will head towards 81.50 – 81.35. Whereas, momentum above 82.22; will lead the pair to test the highs of 82.53 – 82.76. The daily strength indicator RSI and momentum oscillator Stochastic both are in positive zone with crossing their respective signal line thus indicating support in the pair.

Key Market Levels for the Day

	S3	S2	S1	R1	R2	R3
USDINR September	81.4000	81.6500	81.8500	82.2800	82.4200	82.5800



beyond powered by  **NIRMAL BANG**
a relationship beyond broking

Indian Bullion and Jewellers Associations Ltd. Since 1919



Nirmal Bang Securities – Commodity Research Team

Name	Designation	Email
Kunal Shah	Head of Research	kunal.shah@nirmalbang.com
Devidas Rajadhikary	AVP Commodity Research	devidas.rajadhikary@nirmalbang.com
Harshal Mehta	AVP Commodity Research	harshal.mehta@nirmalbang.com
Ravi D'souza	Sr. Research Analyst	ravi.dsouza@nirmalbang.com
Smit Bhayani	Research Associate	smit.bhayani@nirmalbang.com
Riya Singh	Currency Research Analyst	riya.singh@nirmalbang.com

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.