

Daily Bullion Physical Market Report

Date: 04th September 2024

Daily India Spot Market Rates

Description	Purity	AM	PM
Gold	999	71409	71494
Gold	995	71123	71208
Gold	916	65411	65489
Gold	750	53557	53621
Gold	585	41774	41824
Silver	999	82379	82278

Rate as exclusive of GST as of 03rd September 2024 Gold is Rs/10 Gm & Silver in Rs/Kg

Gold and Silver 999 Watch

Date	GOLD*	SILVER*
03 rd September 2024	71494	82278
02 nd September 2024	71511	82780
30 th August 2024	71958	85019
29 th August 2024	72001	85072

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

COMEX Futures Watch

Description	Contract	Close	Change	%Chg
Gold(\$/oz)	DEC 24	2523.00	-4.60	-0.18
Silver(\$/oz)	DEC 24	28.34	-0.80	-2.74

ETF Holdings as on Previous Close

ETFs	In Tonnes	Net Change
SPDR Gold	862.74	5.47
iShares Silver	14,493.33	0.00

Gold and Silver Fix

Description	LTP
Gold London AM Fix(\$/oz)	2503.25
Gold London PM Fix(\$/oz)	2479.80
Silver London Fix(\$/oz)	28.32

Bullion Futures DGCX

Description	Contract	LTP
Gold(\$/oz)	OCT24	2500.6
Gold Quanto	OCT 24	71401
Silver(\$/oz)	DEC 24	28.38

Gold Ratio

Description	LTP
Gold Silver Ratio	89.01
Gold Crude Ratio	35.87

Weekly CFTC Positions

	Long	Short	Net
Gold(\$/oz)	251097	14279	236818
Silver	44891	9609	35282

MCX Indices

Index	Close	Net Change	% Chg
MCX iCOMDEX Bullion	17829.16	-113.20	-0.63 %

Macro-Economic Indicators

Time	Country	Event	Forecast	Previous	Impact
04 th September 06:00 PM	United States	Trade Balance	-78.8B	-73.1B	Low
04 th September 07:30 PM	United States	JOLTS Job Openings	8.09M	8.18M	High
04 th September 07:30 PM	United States	Factory Orders m/m	4.6%	-3.3%	Low
04 th September 11:30 PM	United States	Beige Book	-	-	Low

Nirmal Bang Securities - Daily Bullion News and Summary

Gold fell on Tuesday ahead of US employment data due later this week that may influence the Federal Reserve's rate-cutting path. Bullion traded below \$2,500 an ounce after falling for the previous two sessions. Nonfarm payrolls data due Friday may provide insights into the Fed's path forward for widely expected rate cuts. Lower rates are often seen as bullish for non-interest bearing gold. "Gold stands out as the commodity where we have the highest confidence in near-term upside," Goldman Sachs Group Inc. said in a report dated Sept. 2. The bank maintained its \$2,700 an ounce target for early 2025. Bullion is up more than 20% this year. Along with expectations of rate cuts, it's been supported by central-bank buying and haven demand given conflicts in the Middle East and Ukraine. Spot gold was 0.9% lower at \$2,476.98 an ounce in New York. The Bloomberg Dollar Spot Index rose while US 10-year Treasury yield slipped.

Exchange-traded funds added 184,059 troy ounces of gold to their holdings in the last trading session, bringing this year's net sales to 2.53 million ounces, according to data compiled by Bloomberg. This was the fifth straight day of growth, the longest winning streak since July 18. The purchases were equivalent to \$460.1 million at the previous spot price. Total gold held by ETFs fell 3 percent this year to 83.1 million ounces, the highest level since Feb. 14. Gold advanced 21 percent this year to \$2,499.51 an ounce and fell by 0.7 percent in the latest session. State Street's SPDR Gold Shares, the biggest precious-metals ETF, boosted its holdings by 175,610 ounces in the last session. The fund's total of 27.7 million ounces has a market value of \$69.3 billion. ETFs also added 1.28 million troy ounces of silver to their holdings in the last trading session, bringing this year's net purchases to 16.8 million ounces.

The 10-year US Treasury yield may decline below 2% in a year should the Federal Reserve cut interest rates in line with the futures market's consensus forecasts by the end of 2025. Fed officials are forecast to deliver four quarter-point rate cuts in 2024, including the first move at the Sept. 18 meeting, based on the Fed funds futures pricing. Another four more decreases are priced in next year. The 10-year yield would drop to 2.94% by end-2024 then 1.93% by Sept. 2025, scenario analysis shows. The call options with the largest open interest in the iShares 20+ Year Treasury Bond ETF are the Jan. 17 contracts with strikes at \$100, above its \$96.49 price. Four quarter-point cuts by the Fed are fully priced in until December based on the Fed funds futures pricing, with the Sept. 18 meeting seen starting the easing cycle. Four additional reductions are predicted until Sept. 17 2025. At the annual Jackson Hole symposium in late August, Fed Chair Jerome Powell said "the time has come for policy to adjust," marking a turning point in the central bank's battle against inflation. The Fed has maintained a target range of 5.25% to 5.5% for the benchmark rate since July 2023. The yield on 10-year Treasuries would decline to 2.94% by the end of 2024 in the event that the Fed delivers four quarter-point rate cuts this year as predicted in the futures market.

The European Central Bank mustn't declare victory over inflation too soon — even if the retreat in consumer-price growth may allow another interest-rate cut next week, according to Governing Council member Joachim Nagel. Although inflation is heading to the 2% target, "we shouldn't prematurely burst into cheers and pat ourselves on the back," the Bundesbank president told FAZ in an interview published Tuesday. "We haven't reached our goal yet." "I really won't make a decision until the ECB Governing Council meeting next week, when I will have a complete overview of all the data," he said about a possible second rate reduction. "But I will say this: I see inflation on the right track." His comments come as more and more policymakers endorse market expectations for another cut in borrowing costs on Sept. 12. The ECB started lowering rates in June, citing increased confidence that inflation would fall back to target in the second half of 2025. Bolstering the case for a move next week have been figures showing a plunge in inflation to 2.2% in August and a moderation in euro-zone wage increases in the second quarter. Nagel sees the recent data as in line with the ECB's outlook, but again urged caution. "We must remain vigilant and keep an eye on the risks on the way back to stable prices," he said, referring to still strong wage growth and sticky services inflation.

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 lower for the day, as gold prices are steady just below \$2,500 an ounce as investors took stock after a broad sell-off that rattled equity and commodity markets, with the weakness stoked by concerns about economic growth.

Key Market Levels for the Day

Bullion	Month	S3	S2	S1	R1	R2	R3
Gold – COMEX	December	2470	2500	2520	2535	2550	2570
Silver – COMEX	December	27.75	28.00	28.30	28.50	28.80	29.00
Gold – MCX	October	71000	71200	71400	71700	71900	72100
Silver – MCX	December	82000	82700	83500	83800	84500	85200

Nirmal Bang Securities - Daily Currency Market Update

Dollar Index

LTP/Close	Change	% Change
101.83	0.13	0.12

Bond Yield

10 YR Bonds	LTP	Change
United States	3.8310	-0.0725
Europe	2.2750	-0.0600
Japan	0.9260	0.0130
India	6.8710	-0.0050

Emerging Market Currency

Currency	LTP	Change
Brazil Real	5.6443	0.0265
South Korea Won	1341.9	3.5500
Russia Rubble	86.7666	-2.9211
Chinese Yuan	7.1217	0.0044
Vietnam Dong	24875	-9.0000
Mexican Peso	19.7942	-0.0325

NSE Currency Market Watch

Currency	LTP	Change
NDF	84.04	0.0000
USDINR	84.0225	0.0325
JPYINR	57.5975	-0.0075
GBPINR	110.1925	-0.0600
EURINR	92.8775	-0.1275
USDJPY	145.59	-0.7400
GBPUSD	1.3115	-0.0011
EURUSD	1.105	-0.0012

Market Summary and News

□ The yen led gains in the Group-of-10 currencies after Bank of Japan Governor Kazuo Ueda indicated the central bank is committed to raising borrowing costs if its forecasts materialize. The dollar was on course for its longest winning streak since mid-April. Safe haven currencies yen and Swiss franc were outperforming peers in the group, while the Australian dollar and the Norwegian krone fell about 1% against the greenback. USD/JPY dropped 0.8% to 145.69, after falling as much as 1.2%, touching 145.16. Ueda submitted a document to a government panel suggesting that the central bank will continue to raise interest rates if the economy and prices perform as expected by the central bank. The Bloomberg Dollar Spot Index rose 0.2%. The index is still on track for a fifth session of gains. "The greenback may face downward pressure in the coming month as the Fed initiates its cutting cycle, and risk sentiment could remain positive," analysts at Danske Bank wrote in a note. "We still expect the relative outperformance of the US economy to favor the greenback over the strategic horizon." They forecast Fed to reduce rates by 25bps at each meeting until June 2025. "We forecast August NFP at +170k, which would solidify our case for only 25bp rate cuts," they wrote. AUD/USD drops 1.1% to 0.6717, the lowest since Aug. 23 after data showed Australia's current account deficit unexpectedly widened in 2Q. A decline in iron ore prices also weighed on the currency. NZD/USD follows suit, down 0.7% to 0.6190. Iron ore dropped to a two-week low as China's steel market shows few signs of a revival. EUR/USD slips 0.3% to 1.1042. The European Central Bank mustn't declare victory over inflation too soon — even if the retreat in consumer-price growth may allow another interest-rate cut next week, according to Governing Council member Joachim Nagel. EUR/CHF fell 0.5% at 0.9387; Swiss inflation slowed more than expected in August, supporting the case for another interest-rate cut.

□ Developing-nation stocks and currencies closed lower on Tuesday as traders moved away from risky assets at the start of a busy week for US economic data. MSCI's benchmark for EM equities fell for the fifth time in six sessions. MSCI EM Currency Index fell 0.1% on a closing basis. Latin American currencies slumped amid broader dollar strength, a rally in the Japanese yen and a rout in commodities. Data released Tuesday shows US manufacturing activity shrank in August for a fifth month, reflecting faster rates of declines in orders and production. Brazil's real reversed gains after rising on stronger than-expected GDP figures, increasing bets the country's central bank will need to deliver a more aggressive rate hike. Latin American borrowers lined up to tap global bond markets in what's shaping up to be the region's busiest day for hard-currency debt issuance this year. Turkey's annual inflation eased sharply in August, as borrowing costs of 50% filter through to the economy and dampen demand. Price growth slowed to 52% year-on-year from 62% the previous month, data showed Tuesday. The Turkish lira fell 0.3%. Romania's stock market is becoming one of Europe's star performers, with investors upbeat about the rally running further as more companies are expected to go public.

□ Indian bonds gained while the rupee weakened slightly after a sale of state debt. USD/INR edged up 0.1% to 83.9662. 10-year yields down one basis point to 6.87%. Indian state govts sell 205.53b rupees of bonds as planned. India to sell 290b rupees of bonds in auction on Sept. 6; India's monetary policy has been constrained by persistently high inflation for the past two years, according to a Barclays note by Shreya Sodhani and Amruta Ghare. This episode of elevated inflation is now moving into the rear view mirror; continue to expect inflation to average 4.3% in FY24-25 (RBI: 4.5%), clearing the path for policy easing by the MPC. Despite a lower inflation forecast, we think the MPC will be wary of easing on lower-than-expected inflation for 2Q alone, given the drag from a high base. The MPC will likely want to get a clear picture of food supply following the end of the monsoon and the harvest seasons (Oct-Nov). 2Q growth data will also highlight that economic activity should become more of a factor as inflation eases, leading to a pivot in December.

Key Market Levels for the Day

	S3	S2	S1	R1	R2	R3
USDINR SPOT	83.8750	83.9025	83.9375	83.9825	84.0425	84.0750

Nirmal Bang Securities - Bullion Technical Market Update

Gold Market Update



Market View	
Open	71629
High	71765
Low	71001
Close	71381
Value Change	-220
% Change	-0.31
Spread Near-Next	490
Volume (Lots)	7432
Open Interest	15701
Change in OI (%)	-1.87%

Gold - Outlook for the Day

SELL GOLD OCT (MCX) AT 71700 SL 71900 TARGET 71400/71200

Silver Market Update



Market View	
Open	84258
High	84493
Low	82700
Close	83252
Value Change	-1302
% Change	-1.54
Spread Near-Next	2516
Volume (Lots)	17924
Open Interest	32446
Change in OI (%)	8.28%

Silver - Outlook for the Day

SELL SILVER DEC (MCX) AT 83800 SL 84500 TARGET 83000/82500

Nirmal Bang Securities - Currency Technical Market Update

USDINR Market Update



Market View	
Open	83.9950
High	84.0325
Low	83.9950
Close	84.0225
Value Change	0.0325
% Change	0.0387
Spread Near-Next	-0.6955
Volume (Lots)	363564
Open Interest	1576573
Change in OI (%)	9.51%

USDINR - Outlook for the Day

The USDINR future witnessed a flat opening at 83.99, which was followed by a session where price shows buying from lower level with candle enclosure below near high. A green candle formed by the USDINR price where price closed above 20-days moving average placed at 84. On the daily chart, the MACD showed a negative crossover above zero-line, while the momentum indicator, RSI trailing between 49-55 levels. We are anticipating that the price of USDINR futures will fluctuate today between 83.98 and 84.07.

Key Market Levels for the Day

	S3	S2	S1	R1	R2	R3
USDINR SEPT	83.9475	83.9750	84.0125	84.0450	84.0775	84.1050

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