

Daily Bullion Physical Market Report

Date: 08th August 2024

Daily India Spot Market Rates

Description	Purity	AM	PM
Gold	999	68906	68941
Gold	995	68630	68665
Gold	916	63118	63150
Gold	750	51680	51706
Gold	585	40310	40331
Silver	999	79145	79159

Rate as exclusive of GST as of 07th August 2024 Gold is Rs/10 Gm & Silver in Rs/Kg

Gold and Silver 999 Watch

Date	GOLD*	SILVER*
07 th August 2024	68941	79159
06 th August 2024	69182	79158
05 th August 2024	69117	78950
02 nd August 2024	70392	83501

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

COMEX Futures Watch

Description	Contract	Close	Change	%Chg
Gold(\$/oz)	DEC 24	2432.40	0.80	0.03
Silver(\$/oz)	SEPT 24	26.94	-0.27	-1.00

ETF Holdings as on Previous Close

ETFs	In Tonnes	Net Change
SPDR Gold	848.06	3.16
iShares Silver	14,385.45	113.57

Gold and Silver Fix

Description	LTP
Gold London AM Fix(\$/oz)	2392.85
Gold London PM Fix(\$/oz)	2400.45
Silver London Fix(\$/oz)	27.15

Bullion Futures DGCX

Description	Contract	LTP
Gold(\$/oz)	AUG 24	2405
Gold Quanto	AUG 24	68985
Silver(\$/oz)	SEPT 24	26.80

Gold Ratio

Description	LTP
Gold Silver Ratio	90.28
Gold Crude Ratio	32.33

Weekly CFTC Positions

	Long	Short	Net
Gold(\$/oz)	211608	22699	188909
Silver	38637	13707	24930

MCX Indices

Index	Close	Net Change	% Chg
MCX iCOMDEX Bullion	17208.67	-58.38	-0.34 %

Macro-Economic Indicators

Time	Country	Event	Forecast	Previous	Impact
08 th August 06:00 PM	United States	Unemployment Claims	241K	249K	High
08 th August 07:30 PM	United States	Final Wholesale Inventories m/m	0.2%	0.2%	Low

Nirmal Bang Securities - Daily Bullion News and Summary

□ Gold fluctuated after declining for four sessions as traders took stock of the mood across wider financial markets, with a global selloff earlier in the week followed by a partial recovery that's showing signs of losing steam. Bullion traded near \$2,390 an ounce, after shedding more than 2% over the previous four sessions. Gold — typically seen as a haven asset — was caught up in Monday's broader markets plunge, with traders possibly offloading the metal to cover a pickup in margin calls. Equities erased earlier gains Wednesday, with Treasuries falling amid a weak \$42 billion sale of 10-year bonds. The precious metal remains about 16% higher year-to-date, after hitting a record last month. The rally has been supported by robust central-bank demand, coupled with expectations that the US Federal Reserve will start to reduce interest rates in September. Tensions between Iran and Israel also bolstered demand for the haven asset.

□ Zimbabwe's cabinet said it has approved a roadmap to abandon US dollars in favor of its bullion-backed currency in transactions, a strategy that Finance Minister Mthuli Ncube may unveil next week. "On modalities to operationalize the ZiG currency as legal tender for use in the economy, a de-dollarization roadmap is now in place," Information Minister Jenfan Muswere told reporters Tuesday at a post-cabinet briefing held in the capital, Harare. A Treasury spokesperson said via text message that Ncube may make an announcement next week, without providing a specific date. The southern African nation is trying to shake off its heavy dependence on the dollar, the centerpiece of most economic activity for the past 15 years. The US currency now accounts for about 70% of all economic transactions in the economy, according to central bank data. At the April launch of the gold-backed ZiG, short for Zimbabwe Gold, dollars were used in 85% of transactions. President Emmerson Mnangagwa hinted at the possible adoption of the ZiG as the sole currency as early as 2026, ahead of an initial 2030 deadline — a proposal supported by bankers. In the meanwhile, authorities plan to increase penalties against persons involved in "unjust price hikes, manipulation of the ZiG currency, smuggling and all forms of unfair trade practices," to boost its use, Muswere said. Authorities will increase fines from a minimum \$200 to a maximum \$5,000 or the ZiG equivalent, he said, without specifying the prior range.

□ China's central bank didn't buy any gold for a third straight month in July, as the precious metal surged to record high. Bullion held by the People's Bank of China was unchanged at 72.8 million troy ounces at the end of last month, according to official data released on Wednesday. This is the third month of no reported purchases — the central bank in May ended an 18-month buying spree that helped drive strength in bullion. The ongoing halt to purchases by the PBOC suggests that soaring prices are deterring the world's central banks. Singapore even reduced its gold reserves in June by most since at least 2000, and the World Gold Council has said state-backed demand in the second quarter slumped 39% compared with the first three months of the year. However, some analysts believe central-bank buying will remain a key driver for bullion, saying the PBOC is likely to resume the purchases as it seeks to diversify reserves and guard against weak currency. The precious metal reached an all-time high in July as traders ramped up bets on monetary easing from the Federal Reserve. In China, high prices have dampened retail sales of discretionary items like jewelry, but gold bars and coins are increasingly popular as investors seek to safeguard their wealth from a weak economy. Strong physical bar buying, particularly by family offices in Asia, helped gold demand register its best second quarter in at least 25 years; according to the World Gold Council.

□ The People's Bank of China is potentially getting the respite it's been hoping for from global financial markets, bringing closer a dose of monetary stimulus long waited by investors and traders. An unexpected move by China's central bank two weeks ago to lower interest rates may have been just the start of what some economists now say could be a series of three cuts in total in 2024 — easing on a scale unseen in years. A potential gamechanger is what's likely a more aggressive path of rate decreases by the US Federal Reserve as fear of recession stalks the markets. "The PBOC's room to lower rates is bigger now" given that traders price in more Fed cuts, said Xu Yongbin, co-chief investment officer of U-Shine Private Equity FD Mgt Co. "I expect the PBOC will at least cut rates one to two times this year, and depending on the economy's conditions it could cut as soon as September." Chinese policymakers fought about a year-long battle to defend the yuan by keeping domestic rates on hold, waiting for the Fed to lower borrowing costs from a two-decade high. A wider rate differential between the US and China could threaten to deepen capital outflows and undercut the local currency. But a huge rally in the Treasury market has pushed down US yields and took some heat off the Chinese currency. Rate futures show traders are now expecting at least a full percentage point of Fed easing by year-end, starting in September or sooner. For China, it means one less worry for the central bank — and an opportunity to give the economy a kick. Since late last year, the yuan has come under pressure to depreciate, caused by pessimism over China's growth prospects and a widening gap between US bond yields and local government securities. This week, however, the difference between US and Chinese 10-year government bond yields narrowed to the smallest since February, lessening the appeal of Treasuries against their Chinese equivalent. As a result, some analysts and investors predict China's central bank may act within weeks.

Fundamental Outlook: Gold and silver prices are trading slightly lower today on the international bourses. We expect gold and silver prices to trade range-bound to slightly higher for the day, as gold prices are steady after a five-day drop - the longest run of declines in almost six months - as traders took their cues from wider markets, with a return of weakness in equities.

Key Market Levels for the Day

Bullion	Month	S3	S2	S1	R1	R2	R3
Gold – COMEX	December	2400	2420	2450	2465	2480	2510
Silver – COMEX	September	26.20	26.50	26.85	27.10	27.40	27.70
Gold – MCX	October	68200	68500	68750	69000	69200	69450
Silver – MCX	September	77300	78000	78600	79000	79700	80200

Nirmal Bang Securities - Daily Currency Market Update

Dollar Index

LTP/Close	Change	% Change
103.20	0.23	0.22

Bond Yield

10 YR Bonds	LTP	Change
United States	3.9431	0.0512
Europe	2.2660	0.0690
Japan	0.8970	-0.0040
India	6.8630	-0.0140

Emerging Market Currency

Currency	LTP	Change
Brazil Real	5.6332	-0.0295
South Korea Won	1374.8	-3.0000
Russia Rubble	85.7749	0.0877
Chinese Yuan	7.1766	0.0208
Vietnam Dong	25166	31.0000
Mexican Peso	19.2868	-0.2982

NSE Currency Market Watch

Currency	LTP	Change
NDF	84.02	0.0000
USDINR	84.0025	0.0350
JPYINR	57.325	-0.6400
GBPINR	106.835	0.0200
EURINR	91.825	0.1000
USDJPY	146.81	2.0700
GBPUSD	1.2724	0.0021
EURUSD	1.0933	0.0023

Market Summary and News

□ In less than a week, Japan has completely upended the world's expectations for its markets and economy. The country was the darling of the financial world for over a year. Its weak currency pushed the stock market to record highs and rekindled inflation after decades. Then the Bank of Japan hiked rates last Wednesday and Governor Kazuo Ueda indicated he intended to keep going, helping trigger a sharp rise in the yen and wild gyrations across the global markets. Traders and investors were forced to abandon strategies based on macro views that Japan's currency would stay weak and interest rates wouldn't rise too fast. Volatility coursed through Japan's markets with the Nikkei 225 suffering its biggest rout since 1987 on Monday, only to come roaring back 10% the next day. The whiplash carries implications for the country's politics and households as the market turmoil could impact consumer confidence and Japan's delicate climb out of deflation. Adding to investors' headaches, the yen weakened by more than 2% on Wednesday after BOJ Deputy Governor Shinichi Uchida said the bank wouldn't raise rates as long as markets are unstable. The initial historic selloff in the market indicates that any momentum trades hoping to profit from the weak yen and the broad rally in Japanese equities have been wiped out, according to analysts. The surge in the yen also derailed one of the most profitable market strategies this year: carry trades which involve borrowing the Japanese currency to invest in other global assets. The yen's rebound set off a rush to take profits on these trades and close positions, which exacerbated the currency's rise.

□ Indian bond traders will look forward to the Reserve Bank of India's rate decision Thursday to see whether the central bank pivots to a softer monetary-policy stance amid rising global headwinds. Traders will also watch Governor Shaktikanta Das's comments on liquidity amid secondary-market bond sales by RBI as well as reasons to put curbs on some FAR bonds. USD/INR little changed at 83.9525 on Wednesday. Implied opening from forwards suggest spot may start trading around 83.95. 10-year yields fell 1bps to 6.86%. The RBI is much closer to a stance change than in the previous meeting, according to a HSBC note. We believe it will prefer to keep rates and its policy stance unchanged until it gets more assurance that food inflation is falling sustainably, completes a bulk of the OMO sales it wants to do, and global markets stabilize. Global Funds Sell Net 33.1B Rupees of Indian Stocks Aug. 7: NSE. They bought 1.65 billion rupees of sovereign bonds under limits available to foreign investors, and added 1.51 billion rupees of corporate debt. State-run banks sold 28 billion rupees of sovereign bonds on Aug. 7: CCIL data. Foreign banks bought 14.7 billion rupees of bonds.

□ The yen slid after Bank of Japan Deputy Governor Shinichi Uchida signaled the central bank won't tighten policy rates if financial markets are unstable. The Norwegian krone led Group-of-10 gains as global equity markets rebounded. USD/JPY rose as much as 2.5% to 147.90, the most since January 2023; it later curbed the move, trading near 146.96. This follows the first three-way meeting between the BOJ, Ministry of Finance and the Financial Services Agency since March on Tuesday, as officials sought to restore calm in markets. The meeting left the BOJ "substantially chastised," said David Forrester, a senior strategist at Credit Agricole AG. "The comment by Uchida confirms the BOJ will likely be gun-shy about hiking rates again soon, which will weigh on the JPY." USD/JPY is likely to extend its move toward 148.50 after breaking technical resistance in the 146.40/70 area, he said. Investors may need to find as much as \$1.1 trillion to pay off the yen carry-trade borrowing, economists at TS Lombard estimated, saying "this unwind seems unlikely to be over yet." The Bloomberg Dollar Spot Index was little changed on the day as risk sentiment started improving. "Risk appetite is, albeit slowly, returning to markets," strategists at Monex wrote in a note. "The dollar is moving in a reactionary manner and is at the mercy of risk sentiment around the world." USD/CHF rose 1.2% to 0.8619, the biggest jump since April. EUR/NOK fell as much as 1.6% to 11.7438 and USD/NOK slipped 1%, as rebounding equity markets boosted Norway's krone. "A continuation of the rebound in Norway's krone and Sweden's krona among other high-beta currencies," looks likely, according to Francesco Pesole, FX strategist at ING. "NOK has particularly taken a major hit from the equity selloff and has plenty of room to recover ahead of a Norges Bank meeting next week." NZD/USD rose as much as 1.2% to 0.6025 after NZ's unemployment rate climbed less than expected, diminishing bets for a RBNZ rate cut next week.

Key Market Levels for the Day

	S3	S2	S1	R1	R2	R3
USDINR SPOT	83.8050	83.8625	83.9275	84.0125	84.0725	84.1250

Nirmal Bang Securities - Bullion Technical Market Update

Gold Market Update



Market View

Open	69440
High	69440
Low	68740
Close	68965
Value Change	0
% Change	0
Spread Near-Next	478
Volume (Lots)	4648
Open Interest	18057
Change in OI (%)	-1.17%

Gold - Outlook for the Day

BUY GOLD OCT (MCX) AT 68750 SL 68500 TARGET 69000/69200

Silver Market Update



Market View

Open	79340
High	79897
Low	78821
Close	78900
Value Change	-723
% Change	-0.91
Spread Near-Next	2334
Volume (Lots)	17061
Open Interest	29535
Change in OI (%)	2.36%

Silver - Outlook for the Day

BUY SILVER SEPT (MCX) AT 78600 SL 77800 TARGET 79300/80000

Nirmal Bang Securities - Currency Technical Market Update

USDINR Market Update



Market View	
Open	83.9100
High	84.0200
Low	83.9100
Close	84.0025
Value Change	0.0350
% Change	0.0417
Spread Near-Next	-0.6755
Volume (Lots)	315154
Open Interest	3118514
Change in OI (%)	0.04%

USDINR - Outlook for the Day

The USDINR future witnessed a gap-down opening at 83.91, which was followed by a session where price shows buying from lower level with candle closures near high. A long green candle formed by the USDINR where price having support of 10-days moving average placed at 83.80. The pair closed near all-time high level. On the daily chart, the MACD showed a positive crossover above 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 83.88 and 84.13.

Key Market Levels for the Day

	S3	S2	S1	R1	R2	R3
USDINR AUGUST	83.8525	83.9050	83.9575	84.0725	84.1350	84.2175

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