



# India Bullion and Jewellers Association Ltd.

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Daily Bullion Physical Market Report

Date: 07<sup>th</sup> January 2022

### Daily India Spot Market Rates

Description	Purity	AM	PM
Gold	999	478447	47832
Gold	995	47655	47640
Gold	916	43828	43814
Gold	750	35885	35874
Gold	585	27990	27982
Silver	999	60846	60435

\* Rates are exclusive of GST as of 06<sup>th</sup> December 2021  
Gold in Rs/10 Gm & Silver in Rs/Kg

### Gold and Silver 999 Watch

Date	Gold*	Silver*
06 <sup>th</sup> January 2022	47832	60435
05 <sup>th</sup> January 2022	48150	61896
04 <sup>th</sup> January 2022	47967	61496
03 <sup>rd</sup> January 2022	48333	62255

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

### COMEX Futures Watch

Description	Contract	Close	Change	% Chg
Gold(\$/oz)	Feb	1789.20	-35.90	-1.97
Silver(\$/oz)	Mar	22.19	-0.98	-4.23

### Bullion Futures DGCX

Description	Contract	LTP
Gold (\$/oz)	27th January 2022	1788.5
Gold Quanto	24th February 2022	47471
Silver (\$/oz)	27th January 2022	22.18

### ETF Holdings as on Previous Close

ETF	In Tons	Net Change
SPDR Gold	978.82	-1.17
iShares Silver	16,503.90	0.00

### Gold and Silver Fix

Description	LTP
Gold London AM Fix(\$/oz)	1804.95
Gold London PM Fix(\$/oz)	1789.35
Silver London Fix(\$/oz)	22.25

### Weekly CFTC Positions

	Long	Short	Net
Gold	1,46,045	47,210	98,835
Silver	50,747	33,048	17,699

### Gold Ratio

Gold Silver Ratio	80.63
Gold Crude Ratio	22.52

### MCX Indices

Index	Close	Net Change	% Change
MCX iCOMDEX Bullion	14113.06	-231.32	-1.64%

### Macro-Economic Indicators

Time	Country	Event	Forecast	Previous	Impact
07 <sup>th</sup> January 07.00PM	United States	Non-Farm Employment Change	426K	210K	HIGH
07 <sup>th</sup> January 07.00PM	United States	Unemployment Rate	-4.1%	4.2%	HIGH
07 <sup>th</sup> January 07.00PM	United States	Average Hourly Earnings m/m	0.4%	0.3%	HIGH



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### Nirmal Bang Securities - Daily Bullion News and Summary

- Gold and base metals slid for a second day after minutes from the Federal Reserve highlighted prospects of faster monetary tightening. A strengthening U.S. economy and higher inflation could lead to earlier and faster interest-rate increases, with some policy makers also favoring starting to shrink the balance sheet soon after, according to minutes of the Fed's Dec. 14-15 meeting released Wednesday. Gold slid as much 1.3% on Thursday as the 10-year Treasury yield climbed, pressuring non-interest bearing assets. The hawkish turn from the Fed is a blow for bullion, which had endured similar pivots last year and was beginning to garner investor interest. Gold exchange-traded funds boosted their holdings for seven straight days through Wednesday, while money managers trading the Comex had also recently raised their bullish bets.
- Silver is especially vulnerable right now as 10-year Treasury yields get driven higher. A move back below \$20/oz is possible in 1H, which would take gold's cheaper cousin to levels last seen in mid-2020. Higher Treasury yields, less negative real rates, and a stronger dollar all undercut the case for holding the precious metal. While gold is at risk too, silver's moves tend to be more extreme. A little under a year ago, silver made a splash as Redditor investors piled in for a short-lived, ill-fated frenzy. Most of the ETF holdings accumulated in that strange episode have been unwound, but there's scope for more sales.
- Exchange-traded funds added 38,076 troy ounces of gold to their holdings in the last trading session, bringing this year's net purchases to 245,777 ounces, according to data compiled by Bloomberg. This was the seventh straight day of growth, the longest winning streak since May 18. The purchases were equivalent to \$68.9 million at yesterday's spot price. State Street's SPDR Gold Shares, the biggest precious-metals ETF, pared its holdings by 10,470 ounces in the last session. ETFs cut 238,059 troy ounces of silver from their holdings in the last trading session, bringing this year's net sales to 1.79 million ounces. This was the ninth straight day of declines, the longest losing streak since Nov. 30, 2020.
- Goldman Sachs Group Inc.'s Jeff Currie is backing gold despite the Federal Reserve's more hawkish tone, as the metal could offer a hedge against any potential policy missteps. There's a chance for bullion to rise by \$100 an ounce if the Fed mismanages its policy tightening, Goldman's global head of commodities research said in an interview with Bloomberg TV. That could involve inflation getting out of control or interest-rate hikes inducing a recession, he said. "Right now, gold is pricing in a Goldilocks scenario -- that they get it right perfectly," Currie said. "We would continue to increase our holdings here, but it's a hedge against something bad happening." After posting an annual loss as central banks started to dial back pandemic-era stimulus, gold has started the year under more pressure, with Fed minutes released Wednesday revealing prospects of faster monetary tightening.
- Federal Reserve policy makers could start to raise their target interest rate as soon as March and shrink the central bank's balance sheet as a next step in response to surging inflation, Federal Reserve Bank of St. Louis President James Bullard said. "The FOMC could begin increasing the policy rate as early as the March meeting in order to be in a better position to control inflation," Bullard, referring to the Federal Open Market Committee, said in remarks prepared for delivery to the CFA Society St. Louis on Thursday. "Subsequent rate increases during 2022 could be pulled forward or pushed back depending on inflation developments." Bullard, who has recently been among the most hawkish policy makers, endorsed the policy committee's pivot to fighting increasing prices at last month's meeting. Fed policy makers believed a stronger economy and higher inflation could warrant rate hikes "sooner or at a faster pace" than they previously expected, according to minutes of the Dec. 14-15 policy meeting released Wednesday. In December, the FOMC announced it would wind down the Fed's bond-buying program at a faster pace than first outlined at the previous meeting in early November, citing rising risks from inflation, at a pace that ends purchases in March. The meeting also included discussion of reducing the balance sheet by not reinvesting maturing securities, though no decisions on timing were made.

**Fundamental Outlook:** Gold and silver prices are trading lower today on international bourses. We expect precious metals prices on Indian bourses to trade sideways to lower for the day. We recommend selling on the rise in intra-day trading sessions in precious metals as gold and silver-headed for the biggest weekly decline since late November after the Federal Reserve indicated it could potentially move to tighten monetary policy faster if inflation remains elevated.

#### Key Market Levels for the Day

	Month	S3	S2	S1	R1	R2	R3
Gold – COMEX	February	1715	1730	1750	1800	1825	1840
Silver – COMEX	March	21.40	21.60	21.90	22.40	22.65	22.80
Gold – MCX	February	47000	47200	47400	47600	47850	48050
Silver - MCX	March	59100	59700	60200	60700	61200	61850



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### Nirmal Bang Securities - Daily Currency Market Update

#### Dollar index

LTP/Close	Change	% Change
96.32	0.15	0.15

#### Bond Yield

10 YR Bonds	LTP	Change
United States	1.7211	0.0159
Europe	-0.0630	0.0230
Japan	0.1240	0.0380
India	6.5260	0.0180

#### Emerging Market Currency

Currency	LTP	Change
Brazil Real	5.6856	-0.0305
South Korea Won	1200.55	3.6000
Russia Ruble	76.3181	-0.4886
Chinese Yuan	6.383	0.0191
Vietnam Dong	22751	-3
Mexican Peso	20.5045	-0.0643

#### NSE Currency Market Watch

Currency	LTP	Change
NDF	74.67	-0.02
USDINR	74.62	0.0575
JPYINR	64.4825	0.0075
GBPINR	100.9375	-0.0025
EURINR	84.47	0.03
USDJPY	115.73	0.08
GBPUSD	1.3526	-0.0006
EURUSD	1.1318	-0.0008

#### Market Summary and News

- The Treasury selloff that started the year is rippling across the globe as investors scramble to price in the risk that the Federal Reserve raises interest rates faster than currently anticipated to contain inflation. Yields on U.S. 10-year notes climbed to 1.73% on Thursday, just shy of the 2021 high of 1.77%. The yield has spiked 22 basis points this week, set for the steepest increase since June 2020. The jump sparked a sell-off in bonds and equities across Asia and Europe, and widened divergences in rate expectations across markets. A key driver is a Federal Reserve on a mission to tighten policy, and the latest minutes show they mean business. Federal Open Market Committee members also discussed starting to shrink the central bank's swollen balance sheet soon after their first hike, the minutes showed. That would be a more aggressive approach than during the previous rate-hike cycle in the 2010s, when the Fed waited almost two years after liftoff to begin trimming the stockpile of assets built up as it injected cash into the economy. The minutes are very hawkish, and it shows an FOMC that wants to lean against the market big time. The bond market still views policy tightening being primarily conducted through the front end, which may mean that short-dated yields will lead the way higher until plans for shrinking the balance sheet come into focus.
- Federal Reserve officials are preparing to move quicker than the last time they tightened monetary policy in a bid to keep the U.S. economy from overheating amid high inflation and near-full employment. Prospects for another year of growth above the economy's speed limit with inflation already strong along with a larger balance sheet that's suppressing longer-term borrowing costs could warrant a potentially faster pace of policy rate normalization, minutes from the Dec. 14-15 Federal Open Market Committee meeting said Wednesday. Financial markets interpreted the comments as unequivocally hawkish. Traders raised bets on an interest-rate hike as soon as March to around an 80% probability. Officials also saw the timing of reducing the \$8.8 trillion balance sheet as likely closer to that of policy-rate liftoff than in the committee's previous experience, according to the minutes. The details of the Fed's pivot toward more aggressively fighting inflation suggested it will show greater urgency and agility than the gradualism of the past. They also indicated a desire to smash market perceptions that the central bank is losing its grip on surging prices. The 5.7% annual increase in the Fed's preferred inflation gauge in November overshot officials' 2% target for the ninth consecutive month, toppling their earlier predictions that prices would moderate as supply-chain issues resolved. Meanwhile, a government report Friday is forecast to show the jobless rate fell in December to a new pandemic low of 4.1%, a figure near what Fed officials view as consistent with maximum employment. Chair Jerome Powell and other officials are set to address the outlook over the next week, ahead of their Jan. 25-26 meeting where they could signal the likelihood of a March move. Policy makers have yet to give detailed remarks on how they view the impact from surging Covid-19 infections related to the omicron variant. The minutes showed the FOMC is coalescing around the view the economy is ready for a broad-based removal of monetary accommodation and the omicron variant is unlikely to slow it down. We think the risk of rate liftoff at the March meeting has increased substantially, and will be watching closely Fed speak ahead of the January meeting for further indications."

#### Key Market Levels for the Day

	S3	S2	S1	R1	R2	R3
USDINR Spot	74.0000	74.1500	74.2800	74.4500	74.6000	74.7800





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### Nirmal Bang Securities - Bullion Technical Market Update

#### Gold Market Update



#### Market View

Open	47768
High	47865
Low	47400
Close	47451
Value Change	-570
% Change	-1.19
Spread Near-Next	125
Volume (Lots)	7900
Open Interest	8043
Change in OI (%)	4.14%

#### Gold - Outlook for the Day

Gold prices hit a sell off yesterday we can see support around 1770-60 where we can buy the yellow metal for the target of 1800.

**SELL GOLD FEB (MCX) AT 47600 SL 47850 TARGET 47300/47200**

#### Silver Market Update



#### Market View

Open	62049
High	62049
Low	60200
Close	60426
Value Change	-1812
% Change	-2.91
Spread Near-Next	700
Volume (Lots)	27268
Open Interest	17628
Change in OI (%)	36.35%

#### Silver - Outlook for the Day

Silver has faced a sharp fall yesterday it seems that the prices is likely to take support around 21.70-80. It seems that we can buy around 21.70-80 for target 22.40-55.

**SELL SILVER MARCH (MCX) AT 61100 SL 61600 TARGET 60200/59700**



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### Nirmal Bang Securities - Currency Technical Market Update

#### USDINR Market Update



#### Market View

Open	74.5975
High	74.685
Low	74.48
Close	74.62
Value Change	0.0575
% Change	0.08
Spread Near-Next	0
Volume	2377010
Open Interest	2163208
Change in OI (%)	-0.20%

#### USDINR - Outlook for the Day

USDINR witnessed a positive open at 74.59 but remained in a tight range bound giving the closure in flat green at 74.62. On the daily chart, the pair has formed a flat green candle with closure in lower lows. The pair is still trading in a wide range within the levels of 74.88 - 74.30 and unless it breaks off the range, USDINR will be giving momentum within the range. The pair has given closure below short term, medium moving average and long term SMA's indicating weakness. USDINR if breaches the support of 74.55 will go on to test the lows of 74.30- 74.18 and one can go short for the same. However, an open above 74.72 could test the highs of 74.88 – 75. The daily strength indicator RSI and momentum oscillator Stochastic both are below their respective reference number indicating weakness.

#### Key Market Levels for the Day

	S3	S2	S1	R1	R2	R3
USDINR December	74.0000	74.1800	74.3500	74.6800	74.8200	74.9800



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