



# India Bullion and Jewellers Association Ltd.

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Daily Bullion Physical Market Report

Date: 08<sup>th</sup> October 2021

### Daily India Spot Market Rates

Description	Purity	AM	PM
Gold	999	46885	46918
Gold	995	46697	46730
Gold	916	42947	42977
Gold	750	35164	35189
Gold	585	27428	27447
Silver	999	61078	61385

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

### COMEX Futures Watch

Description	Contract	Close	Change	% Chg
Gold(\$/oz)	Dec	1759.20	-2.60	-0.15
Silver(\$/oz)	Sep	22.66	0.13	0.56

### ETF Holdings as on Previous Close

ETF	In Tons	Net Change
SPDR Gold	986.54	0.00
iShares Silver	17,105.10	0.00

### Weekly CFTC Positions

	Long	Short	Net
Gold	1,30,182	88,059	42,123
Silver	47,410	43,892	3,518

### MCX Indices

Index	Close	Net Change	% Change
MCX iCOMDEX Bullion	13920.49	-2.13	-0.02

### Macro-Economic Indicators

Time	Country	Event	Forecast	Previous	Impact
08 <sup>th</sup> October 6:00PM	United States	Average Hourly Earnings m/m	0.4%	0.6%	High
08 <sup>th</sup> October 6:00PM	United States	Non-Farm Employment Change	490K	235K	High
08 <sup>th</sup> October 6:00PM	United States	Unemployment Rate	5.1%	5.2%	High
08 <sup>th</sup> October 7:30PM	United States	Final Wholesale Inventories m/m	1.2%	1.2%	Low

### Gold and Silver 999 Watch

Date	Gold*	Silver*
07 <sup>th</sup> October 2021	46918	61385
06 <sup>th</sup> October 2021	46845	60584
05 <sup>th</sup> October 2021	46682	60905
04 <sup>th</sup> October 2021	46394	59997

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

### Bullion Futures DGCX

Description	Contract	LTP
Gold (\$/oz)	26th November 2021	1755.8
Gold Quanto	25th November 2021	46847
Silver (\$/oz)	26th November 2021	22.60

### Gold and Silver Fix

Description	LTP
Gold London AM Fix(\$/oz)	1758.55
Gold London PM Fix(\$/oz)	1762.10
Silver London Fix(\$/oz)	22.69

### Gold Ratio

Gold Silver Ratio	78.19
Gold Crude Ratio	22.75



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

- Gold slid after a U.S. jobs report pointed to ongoing improvement in the labour market, potentially pacing the Federal Reserve on course for a reduction in monetary stimulus soon. Applications for U.S. state unemployment benefits retreated last week to the lowest in a month in a broad-based decline. Initial unemployment claims in regular state programs totalled 326,000 in the week ended Oct. 2, a decrease of 38,000 from the prior week, Labour Department data showed Thursday. The median estimate in a Bloomberg survey of economists called for a decrease to 348,000 applications. Treasury yields advanced, hurting demand for non-interest-bearing bullion. Fed chairman Jerome Powell has said in the past that the central bank needs to see substantial improvement in the labour market before starting to pare back its bond-purchase programs. The possibility of a removal of stimulus, which was a key pillar in gold's ascent to a record last year, is bearish for the precious metal, and investors will be on the lookout for more cues on the Fed's taper timeline from Friday's non-farm payrolls data.
- Exploration spending in the mining industry is set to increase the most in a decade paced by gold, as higher metal prices and easing pandemic restrictions prompt a drilling recovery. The global budget for exploration in nonferrous metals, or those that don't contain iron, will total \$11.2 billion this year, according to S&P Global Market Intelligence estimates. That would be a 35% jump from last year, the steepest increase since 2011, and the highest level since 2013. Canada and Australia are shaping up as the drilling hot spots this year, the data show, and exploration at current mine sites is accounting for the biggest share of activity, with major mining companies outspending juniors. Gold traditionally leads other metals in exploration Up-trends, with companies tending to focus first on safer jurisdictions that are closer to financial hubs.
- Gold vault holdings tracked by the London Bullion Market Association fell slightly to a value of \$544 billion at the end of the month, the LBMA said in a statement. Silver vault holdings fell for a third month, to 36,486 tons. Data represents the holdings of six custodians which are members of the LBMA, as well as the Bank of England for gold.
- The number to watch for on Friday's U.S. payrolls report is 200,000. Anything below that would prompt investors to question the health of the economy and send Treasury yields lower in the near term, according to all eight strategists surveyed by Bloomberg. Such a scenario would boost bets for a delay or a slower pace of Federal Reserve tapering. Yet, the figure is less than half of the median of economists' estimates at 500,000. While most investors see Fed tapering as a certainty on the horizon, they await clarity on its timing and speed. Inflationary pressures from supply-chain bottlenecks and the anticipated start of tapering in November have left yields poised to build on their third-quarter increases. That means the bar on a post-data pullback in Treasury yields is very high.
- European Central Bank Chief Economist Philip Lane pushed back against warnings over accelerating inflation, saying there's "very solid evidence" to believe that the current spike won't last. "The red zone for everyone is if inflation became persistent at a number that's immoderately above the inflation target," Lane said on Thursday. "That's a very far distance from where the euro area is. We have to be the counterweight, honestly, in this debate." Speaking at a conference organized by the ECB and the Federal Reserve Bank of Cleveland, he highlighted that "there's solid reasons to believe that a lot of this is to do with the reopening of the economy and there's very solid reasons to believe there's a significant transitory component."

**Fundamental Outlook:** Gold and silver prices are trading range-bound to slightly lower today on international bourses. We expect precious metals prices on Indian bourses to trade range-bound for the day. Sell on rise in intra-day trading session is advisable, as investors waited for a key U.S. jobs report on Friday for clues on the strength of the labour market and the Federal Reserve's monetary policy path.

#### Key Market Levels for the Day

	Month	S3	S2	S1	R1	R2	R3
Gold – COMEX	December	1670	1690	1730	1760	1780	1800
Silver – COMEX	December	21.30	21.50	21.80	22.45	22.65	22.80
Gold – MCX	December	46200	46500	46750	47000	47200	47450
Silver - MCX	December	59700	60200	60700	61300	61850	62500



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### Nirmal Bang Securities - Daily Currency Market Update

#### Dollar index

LTP/Close	Change	% Change
94.22	-0.05	-0.05

#### Bond Yield

10 YR Bonds	LTP	Change
United States	1.5729	0.0523
Europe	-0.1860	-0.0040
Japan	0.0710	-0.0130
India	6.2670	-0.0100

#### Emerging Market Currency

Currency	LTP	Change
Brazil Real	5.5188	0.0265
South Korea Won	1190.8	-1.8500
Russia Ruble	71.7012	-0.711
Chinese Yuan	6.4448	-0.026
Vietnam Dong	22761	-1
Mexican Peso	20.6519	0.0973

#### NSE Currency Market Watch

Currency	LTP	Change
NDF	75.11	-0.03
USDINR	74.87	-0.3125
JPYINR	67.2525	-0.195
GBPINR	101.8775	-0.1525
EURINR	86.635	-0.1625
USDJPY	111.3	-0.17
GBPUSD	1.3606	0.003
EURUSD	1.1569	0.002

#### Market Summary and News

- UK was eyeing inflation as more of a transitory phase but the current surge in crude and natural gas has proven to be otherwise especially with winter around the corner. The comments with respect to interest rate hike which was said could happen by end of the year is becoming more real as the accelerating inflation could really dampen the economy growth of the country. The slowing economy growth and a rocky separation from the EU is further pushing the pressure on the BOE monetary policy. The expectation that rate hikes could happen early and as much as by 15 basis point is pushing the pound on the higher side.
- Inflation concerns could prompt the RBI to pump liquidity out of the system. The unrelenting build-up in inflationary pressures, even if deemed transitory, is likely to elicit a measured central bank response – especially on the surplus banking system liquidity, which would add to rupee's weakness. The MPC is expected to signal the end of 'excessive' Covid-era accommodation amidst a steady pick-up in economic activity and progress in vaccination. Despite the surge in global oil prices, due to supply-side issues, our base case remains for a reverse repo rate liftoff starting from Dec'21 policy, rather than the Oct'21 policy. Emphasis on a dovish gradual taper and bond purchases in the next quarter should keep bond market volatility under check. The expectation on sequencing of policy normalization in India is that it will begin with liquidity normalization, followed by narrowing of the corridor, and then actual rates liftoff. The central bank currently mops up liquidity through up to 14-day reverse repos and expect the RBI to increase the duration, which will allow absorption of excess funds for a longer period. Besides, expects the RBI to slow government bond purchases, its version of quantitative easing to 500 billion rupees or lower in the current quarter from 1.2 trillion rupees in the July-September period. The RBI could also prevent adding to liquidity by selling an equivalent amount of shorter papers when it buys bonds
- India's central bank is poised to leave its key interest rate unchanged for an eight straight meeting to support economic growth, while likely signaling readiness to unwind some pandemic-era stimulus to tackle inflation concerns. The big take away from the Reserve Bank of India, however, is likely to be any move to balance the huge liquidity overhang in the banking system, including possibly trimming a government bond-buying program. Governor Shaktikanta Das is scheduled to announce the MPC's decision through a webcast at 10 a.m. in Mumbai on Friday. With indicators signaling strength in India's economic recovery and a brewing energy crisis adding to inflation risks, investors will be watching for more signs of taper, given the record liquidity in the banking system estimated at over 9 trillion rupees (\$120 billion). Market will be looking for cues on when the RBI intends to raise the reverse repo rate -- the level at which it absorbs cash from banks. That should help narrow the gap between the main repo and reverse repo rates which will signal a gradual normalization path, while at the same time allow the MPC to keep the key rate at a record low 4% for longer.

#### Key Market Levels for the Day

	S3	S2	S1	R1	R2	R3
USDINR Spot	73.7500	73.9500	74.1000	74.3200	74.4500	74.5700



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### Nirmal Bang Securities - Bullion Technical Market Update

#### Gold Market Update



#### Market View

Open	46851
High	46990
Low	46687
Close	46827
Value Change	-80
% Change	-0.17
Spread Near-Next	160
Volume (Lots)	4963
Open Interest	13565
Change in OI (%)	0.69%

#### Gold - Outlook for the Day

Gold prices trading positive. We believe that the metals are trading supportive around 1710-20 zone so recommending to go long for a target of 1750-60. We believe that the commodity can see support at lower levels and bounce back. Try to buy on dips between 1720-10.

**BUY GOLD DEC (MCX) AT 46750 SL 46500 TARGET 47000/47200**

#### Silver Market Update



#### Market View

Open	61054
High	61596
Low	60677
Close	61258
Value Change	255
% Change	0.42
Spread Near-Next	432
Volume (Lots)	14755
Open Interest	10798
Change in OI (%)	-4.70%

#### Silver - Outlook for the Day

Silver prices too trading sharply downward, but the immediate support is round the corner. We are recommending going long around 21.70-80 Target 22.50-70.

**BUY SILVER DEC (MCX) AT 60700 SL 60100 TARGET 61700/62150**





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### Nirmal Bang Securities - Currency Technical Market Update

#### USDINR Market Update



#### Market View

Open	74.92
High	75.0625
Low	74.82
Close	74.87
Value Change	-0.3125
% Change	-0.42
Spread Near-Next	-0.7368
Volume	2622061
Open Interest	1792378
Change in OI (%)	-5.27%

#### USDINR - Outlook for the Day

USDINR witness a weak open at 74.92 and thereafter remained in a consolidated range within the band 75.27 – 75.11 for most part of the session followed by a closure in red. On the daily chart, the pair has formed a small red candle with sideways closure indicating profit taking. The pair has managed to give closure below the long-term moving average while maintaining support at the medium and small term moving averages. USDINR if breaches the support of 75 will go on to test the lows of 74.88 – 74.70 and one can go short for the same. However, an open above 75.32 could test the highs of 75.50-75.60. The daily strength indicator RSI and momentum oscillator Stochastic both have moved above their respective reference line indicating positive bias in the pair.

#### Key Market Levels for the Day

	S3	S2	S1	R1	R2	R3
USDINR October	74.6000	74.8500	75.0000	75.3500	75.4800	75.6000



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