



# India Bullion and Jewellers Association Ltd.

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Daily Bullion Physical Market Report

Date: 11<sup>th</sup> January 2022

### Daily India Spot Market Rates

Description	Purity	AM	PM
Gold	999	47518	47627
Gold	995	47328	47436
Gold	916	43571	43626
Gold	750	35639	35720
Gold	585	27798	27862
Silver	999	60054	60351

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

### Gold and Silver 999 Watch

Date	Gold*	Silver*
08 <sup>th</sup> January 2022	47627	60351
07 <sup>th</sup> January 2022	47583	59991
06 <sup>th</sup> January 2022	47832	60435
05 <sup>th</sup> January 2022	48150	61896

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

### COMEX Futures Watch

Description	Contract	Close	Change	% Chg
Gold(\$/oz)	Feb	1798.80	1.40	0.08
Silver(\$/oz)	Mar	22.46	0.05	0.24

### Bullion Futures DGCX

Description	Contract	LTP
Gold (\$/oz)	27th January 2022	1797.3
Gold Quanto	24th February 2022	47475
Silver (\$/oz)	27th January 2022	22.40

### ETF Holdings as on Previous Close

ETF	In Tons	Net Change
SPDR Gold	977.08	0.00
iShares Silver	16,503.90	0.00

### Gold and Silver Fix

Description	LTP
Gold London AM Fix(\$/oz)	1800.55
Gold London PM Fix(\$/oz)	1794.20
Silver London Fix(\$/oz)	22.46

### Weekly CFTC Positions

	Long	Short	Net
Gold	1,40,082	45,140	94,942
Silver	51,753	29,844	21,909

### Gold Ratio

Gold Silver Ratio	80.08
Gold Crude Ratio	22.99

### MCX Indices

Index	Close	Net Change	% Change
MCX iCOMDEX Bullion	13892.72	4.22	0.03%

### Macro-Economic Indicators

Time	Country	Event	Forecast	Previous	Impact
11 <sup>th</sup> January 07.42PM	United States	FOMC Member Mester Speaks	-	-	LOW
11 <sup>th</sup> January 08.00PM	United States	FOMC Member George Speaks	-	-	LOW
11 <sup>th</sup> January 08.30PM	United States	Fed Chair Powell Testifies	-	-	HIGH



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

- Gold rose after its biggest weekly loss since November, as the yield on the 10-year Treasury note and the dollar gave up some gains following a hawkish turn by the Federal Reserve. Benchmark Treasury rates pared gains after rising to the highest since the pandemic began earlier on Monday following last week's Fed minutes which signaled a willingness to tighten policy as soon as March. Strength in a gauge of the dollar also eased a bit, boosting gold's demand by foreign investors. Data on Friday showed the U.S. unemployment rate falling below 4% last month as wages rose, adding to evidence of a tight labor market. Goldman Sachs Group Inc. now sees the Fed raising interest rates four times this year and starting its balance sheet runoff process in July. With concerns growing that the Fed is behind the curve in tackling elevated price pressures, investors will closely watch U.S. inflation data due on Wednesday. The spread of the omicron virus variant, with surging infections in Europe and outbreaks in China, is adding to uncertainty for markets.
- Gold vault holdings tracked by the London Bullion Market Association declined slightly from November, and were valued at \$563.9 billion at the end of last month, the LBMA said in a statement. Silver vault holdings dropped 0.8% to 36,125 tons from previous month. Data represents the gold holdings of six custodians which are members of the LBMA, as well as the Bank of England.
- The Securities and Exchange Board of India has given an operational framework for gold exchanges in the country, paving the way for spot contracts, the regulator said in a circular issued on Monday. The framework provides rules for gold exchanges including the creation of electronic gold receipts, trading EGRs on stock exchanges and conversion of EGRs into physical gold. The rules will come in to effect immediately, the regulator said. The regulator had first proposed the new framework in June 2021 laying out the role of spot exchanges, assayers, vaults and traders. Under the new rules, a common interface will be developed by depositories, which will be made accessible to vault managers, depositories, stock exchanges and clearing corporations. Physical gold from fresh deposits coming into the vaults, either through imports or domestic refineries, will be converted into electronic gold receipts, which will then be traded on the spot market.
- The drumbeat for the Federal Reserve to implement four quarter-point interest-rate hikes this year is growing -- and with the pace that markets have been moving, there's a possibility that traders soon look to protect themselves against the risk of even faster tightening. Swaps are already indicating the central bank's target will be 88 basis points higher by the end of this year -- seen by many as a sign the market is baking in three hikes, plus the possibility of a fourth in 2022 -- and momentum is building for the first increase to take place as soon as March. With U.S. inflation data ahead this week, as well as testimony from top Fed officials, it could be just the beginning of a bigger Re-pricing. It's a shift that's happened with remarkable speed. Heading into the final stretch of 2021, the prospect of a March hike was close to a coin flip, but such an outcome is now almost fully priced in. The 10-year Treasury yields was then around 1.50%, a quarter point below current levels. While three-to-four hikes for 2022 is priced in on average, some in the market are betting on less tightening and others more. As the average tightening predicted by market prices climbs closer to a full percentage point, that suggests some traders could be hedging against the risk of five or even six increases.
- Federal Reserve Chair Jerome Powell said the central bank will prevent higher inflation from becoming entrenched while cautioning that the post-pandemic economy might look different than the previous expansion. "We will use our tools to support the economy and a strong labor market and to prevent higher inflation from becoming entrenched," Powell said in a brief opening statement prepared for delivery at his confirmation hearing before the Senate Banking Committee. "We can begin to see that the post-pandemic economy is likely to be different in some respects. The pursuit of our goals will need to take these differences into account," he said in the remarks, released Monday ahead of Tuesday's hearing. Powell was nominated by President Joe Biden to serve a second four-year term as head of the nation's central bank. Governor Lael Brainard was picked to serve as vice chair and will go before the committee Thursday. She succeeds Richard Clarida, who said Monday he will leave office on Jan. 14. Clarida's investment activities in 2020 -- as the Fed was preparing to signal to markets that it was prepared to take action to buffer the economy from the coronavirus -- have drawn scrutiny.

**Fundamental Outlook:** Gold and silver prices are trading slightly higher today on international bourses. We expect precious metals prices on Indian bourses to trade sideways to slightly higher for the day. We recommend buying on dips in intra-day trading sessions in precious metals as investors assessed comments by the Federal Reserve Chair that the central bank will prevent inflation from getting entrenched amid growing expectations for an interest rate hike in March.

#### 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	47080	47300	47500	47650	47800	48050
Silver - MCX	March	59300	60000	60650	61100	61700	62250



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### Nirmal Bang Securities - Daily Currency Market Update

#### Dollar index

LTP/Close	Change	% Change
95.99	0.27	0.28

#### Bond Yield

10 YR Bonds	LTP	Change
United States	1.7603	-0.0017
Europe	-0.0360	0.0090
Japan	0.1400	0.0000
India	6.5900	0.0490

#### Emerging Market Currency

Currency	LTP	Change
Brazil Real	5.6701	0.0359
South Korea Won	1199	-2.5500
Russia Ruble	75.0238	-0.7307
Chinese Yuan	6.3762	-0.0016
Vietnam Dong	22687	-19
Mexican Peso	20.3703	-0.0302

#### NSE Currency Market Watch

Currency	LTP	Change
NDF	74.27	0.04
USDINR	74.205	-0.28
JPYINR	64.325	-0.045
GBPINR	100.8275	-0.0625
EURINR	84.155	-0.1175
USDJPY	115.44	-0.24
GBPUSD	1.358	0.004
EURUSD	1.1339	0.0024

#### Market Summary and News

- With the Bank of England's now-infamous fourth-quarter flip-flop on rates having finally come to an end, sterling may have turned a new leaf over against the dollar. Yet its denouement this year will rest on how fast policy makers act to quell inflation. GBP/USD has strengthened more than 2% since the BOE lifted its benchmark in mid-December, which led to a surge in both real and nominal yields. The U.K.'s real yields are among the most deeply negative in the developed world, and with retail-price inflation running north of 7%, the BOE has its task cut out. Money markets are factoring in about 100 basis points of tightening this year, though there are bound to be twists and turns along the way. And with the Fed likely to be aggressive as well, the prospects for cable will come down to how both banks' measures cool price pressures in their economies. While sterling has decisively bounced off the valid pessimism that hung over much of the fourth quarter as the BOE dithered, its upside is essentially work in progress given the scenario above. At current levels, the currency is fully valued. However, the pound has a clearer path against the euro as noted here given that the European Central Bank is unlikely to raise rates this year.
- India's benchmark yield jumped to the highest in two years as demand for bonds at recent auctions dwindled amid concern over the central bank's consistent sales of the nation's debt in the secondary market. The 10-year bond yield rose five basis points to 6.59%, highest since January 2020. That's after underwriters stepped in to buy nearly 44 billion rupees (\$593 million) of 60 billion rupees of the 2026 debt for sale on Friday. The last time underwriters rescued an auction was at end-July. Market sentiment has soured after the Reserve Bank of India began gradually ramping up its liquidity withdrawal via variable reverse repo operations while also becoming a net seller in the secondary market by offloading over 150 billion rupees of bonds since mid-November. The central bank halted bond purchases in its October policy meeting after buying 2.2 trillion rupees of debt via its purchase program in the April to September period. The market isn't getting any help in absorbing longer-duration bonds and the RBI is actively adding to debt supply in the market through its permanent liquidity operations. There's risk that the market may lose appetite for debt without intervention. The central bank's reduced support for the bond market is exacerbating stress on sovereign bonds resulting from the rise in Treasury yields. The risk of additional government spending amid the latest wave of Covid infections could further dampen the demand for Indian bonds. India sold 30% of the 240 billion rupees issuance on Dec. 31 as the central bank chose not to give in to investor demand for higher yields. RBI Governor Shaktikanta Das has repeatedly said he is comfortable with an orderly evolution of the yield curve but that the central bank will step in to prevent sharp spikes. The market is way away from equilibrium. The global theme is also not supportive as it was in October and November, so tough times continue for the market.
- The Bank of Russia cut the share of dollars in its massive reserves further last year as continuing tensions with the U.S. fueled fears of new sanctions. The central bank said it held 16.4% of its \$585 billion in reserves in dollars at the end of June 2021, down from 22.2% a year earlier. Holdings of the euro increased to 32.2% and those of yuan rose to 13.1%. The share of gold slipped to 21.7%. President Vladimir Putin has repeatedly called on his government to reduce exposure to the dollar amid concerns about possible new sanctions. As a result of the shift, Russia has become one of the largest holder of yuan reserves in the world. Markets are already positioned for a strong dollar, so a period of consolidation is likely. The greenback has had a nice bounce today along with the recovery of the Treasury yields. But since the start of the year, the yields have repriced significantly, as the Fed has turned increasingly hawkish. Yet, the dollar has gone nowhere since December.

#### Key Market Levels for the Day

	S3	S2	S1	R1	R2	R3
USDINR Spot	73.7000	73.8800	74.0300	74.3500	74.4800	74.6000





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### Nirmal Bang Securities - Bullion Technical Market Update

#### Gold Market Update



#### Market View

Open	47394
High	47499
Low	47301
Close	47455
Value Change	3
% Change	0.01
Spread Near-Next	103
Volume (Lots)	4386
Open Interest	7672
Change in OI (%)	-3.94%

#### Gold - Outlook for the Day

Gold prices recovered from the sell off on Thursday. We can see support around 1770-60; we can buy the yellow metal around \$ 1780 for the target of 1810.

**BUY GOLD FEB (MCX) AT 47500 SL 47280 TARGET 47800/47950**

#### Silver Market Update



#### Market View

Open	60404
High	60746
Low	60251
Close	60667
Value Change	60
% Change	0.1
Spread Near-Next	678
Volume (Lots)	12520
Open Interest	17058
Change in OI (%)	-1.23%

#### 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.

**BUY SILVER MARCH (MCX) AT 60650 SL 60000 TARGET 61300/61750**



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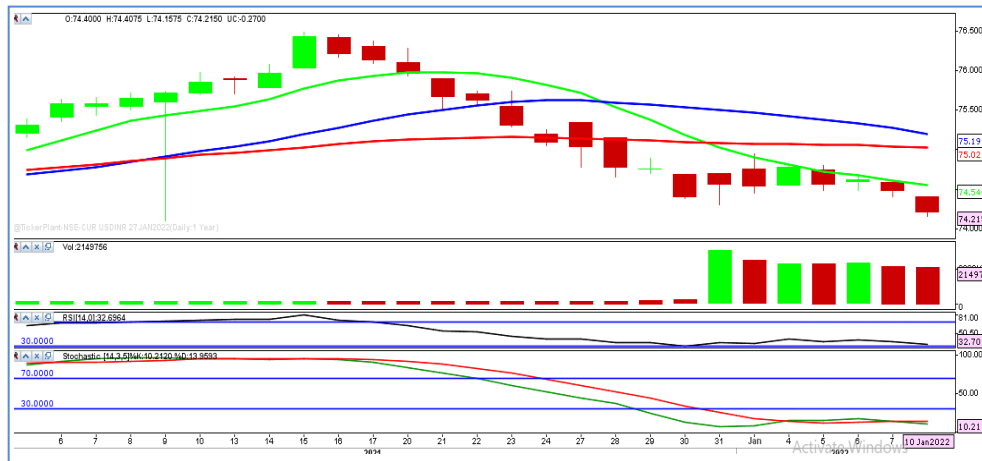


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### Nirmal Bang Securities - Currency Technical Market Update

#### USDINR Market Update



#### Market View

Open	74.4
High	74.4075
Low	74.1575
Close	74.205
Value Change	-0.28
% Change	-0.38
Spread Near-Next	0
Volume	2149756
Open Interest	2238017
Change in OI (%)	-1.84%

#### USDINR - Outlook for the Day

USDINR witnessed a weak open at 74.58 followed by a session in red with lows marking the low at 74.15 with closure near the same at 74.20. On the daily chart, the pair has formed a red candle with closure in lower lows indicating negative bias. The pair has given closure below short term, medium moving average and long term SMA's indicating weakness. USDINR, if gives breakdown to 74.15 the momentum will continue to trade on a weaker note towards 74 – 73.88. 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 January	73.7000	73.8800	74.0500	74.3800	74.5000	74.6800



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