



Daily Bullion Physical Market Report

Date: 14th September 2023

Daily India Spot Market Rates

Description	Purity	AM	PM
Gold	999	58724	58791
Gold	995	58489	58556
Gold	916	53791	53853
Gold	750	44043	44093
Gold	585	34354	34393
Silver	999	70793	70925

Rate as exclusive of GST as of 13th September 2023 Gold is Rs/10 Gm & Silver in Rs/Kg

Gold and Silver 999 Watch

Date	GOLD*	SILVER*
13 th September 2023	58791	70925
12 th September 2023	58865	70900
11 th September 2023	59199	71343
08 th September 2023	59171	71017

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

COMEX Futures Watch

Description	Contract	Close	Change	%Chg
Gold(\$/oz)	Dec 23	1932.50	-2.60	-0.13
Silver(\$/oz)	Dec 23	23.18	-0.22	-0.94

ETF Holdings as on Previous Close

ETFs	Long	Short
SPDR Gold	884.89	0.00
iShares Silver	13,708.43	31.37

Gold and Silver Fix

Description	LTP
Gold London AM Fix(\$/oz)	1912.15
Gold London PM Fix(\$/oz)	1913.80
Silver London Fix(\$/oz)	22.91

Bullion Futures DGCX

Description	Contract	LTP
Gold(\$/oz)	OCT. 23	1913.1
Gold Quanto	OCT. 23	58613
Silver(\$/oz)	DEC. 23	23.13

Gold Ratio

Description	LTP
Gold Silver Ratio	83.37
Gold Crude Ratio	21.83

Weekly CFTC Positions

	Long	Short	Net
Gold(\$/oz)	134439	68099	66340
Silver	38669	24691	13978

MCX Indices

Index	Close	Net Change	% Chg
MCX iCOMDEX Bullion	15624.27	-34.82	-0.22 %

Macro-Economic Indicators

Time	Country	Event	Forecast	Previous	Impact
14 th September 06:00 PM	Europe	Main Refinancing Rate	4.25%	4.25%	High
14 th September 06:00 PM	Europe	Monetary Policy Statement	-	-	High
14 th September 06:00 PM	United States	Core PPI m/m	0.2%	0.3%	High
14 th September 06:00 PM	United States	Core Retail Sales m/m	0.4%	1.0%	High
14 th September 06:00 PM	United States	PPI m/m	0.4%	0.3%	High
14 th September 06:00 PM	United States	Retail Sales m/m	0.2%	0.7%	High
14 th September 06:00 PM	United States	Unemployment Claims	225K	216K	High
14 th September 06:00 PM	Europe	ECB Press Conference	-	-	High



Nirmal Bang Securities - Daily Bullion News and Summary

❖ Gold edged lower yesterday after US inflation data came in hotter than expected; adding to doubts the Federal Reserve has finished tightening. The core consumer price index, which excludes food and energy costs, rose 0.3% in August from a month before, above the median economist forecast. Treasury yields gained following the print, causing gold to slide as much as 0.4%. The data will put some doubts in the minds of investors that the Fed has finished its aggressive rate-hiking campaign. Swaps traders now see about a 50% chance of another increase, which would be negative for non-interest bearing gold. Bullion has been under pressure from the dollar's rally in recent weeks, though it was granted a small reprieve on Monday after moves by the Bank of Japan and People's Bank of China pushed down the US currency. Investor demand for the haven asset has been waning, with exchange-traded funds backed by gold seeing almost continuous outflows.

❖ Gold imports by India, the world's second-biggest consumer, surged about 40% in August on strong festive buying, a person familiar said, threatening to blow out the trade deficit that has already been high due to rising oil prices. The value of inbound gold shipments grew to \$4.9 billion in August from \$3.5 billion a year earlier, according to a person familiar with the matter. The numbers are provisional and could change, said the person, who asked not to be identified as the information isn't public. The numbers emerge days before the government is due to report overall trade data on Sept. 15. India's trade deficit is estimated at \$21 billion in a Bloomberg survey of economists. A trade ministry spokesperson said August trade data is still being compiled and it would be premature to comment on the figures, while a Finance Ministry spokesperson couldn't be reached on the mobile for comment. Gold purchases usually pick up in the second half of the year during festivals, which culminate with Diwali in October or November, weddings and as an auspicious investment. An expected rise in purchases during the festive months could help pare a drop in this year's consumption, hit by elevated local prices and a slowdown in discretionary spending. The value of gold imports also jumped during August partly because of a rise of 12% in overseas spot prices in the past year and a lower base in 2022 when imports slumped 30%. Overall, demand in the South Asian nation is forecast to drop this year to 650 tons to 750 tons, the lowest since the coronavirus pandemic hit the country in 2020, the World Gold Council said in August. India imports almost all the gold it uses mainly from Switzerland. The Commerce Ministry also compiles gold trade data, which may differ from the Finance Ministry's numbers.

❖ Gold in China is trading at a record premium to international prices; a sign of Beijing's escalating battle to defend its currency. Bullion on the Shanghai Gold Exchange traded at a premium of more than \$90 an ounce on Wednesday, according to calculations by Bloomberg. That's the highest since the exchange was founded over two decades ago, as a weak yuan drove up prices in recent weeks. Traders have sold the yuan this year as disappointing economic data and real estate turmoil spurred the central bank to cut interest rates. As monetary policy diverges with the rest of the world, sending the currency toward record lows offshore, the central bank has intervened to stem the slide. That includes limiting gold shipments into the local market by squeezing import quotas. China is the world's biggest market for bullion, with rich and poor citizens alike buying gold as a savings tool. Demand for gold in the country has remained relatively subdued this year, since rebounding after lockdown restrictions were eased.

❖ As the UK's economic outlook gets cloudier, Bank of England policymakers are suddenly speaking more clearly about the choice before them. After disappearing for holiday for much of August, Governor Andrew Bailey and his Chief Economist Huw Pill have returned suggesting they're weighing when to halt the most aggressive tightening cycle in over three decades. Another policy maker, Catherine Mann, meanwhile signaled she'll vote for more hikes. The remarks indicate that debate is intensifying on the nine-member Monetary Policy Committee about how the BOE should respond to inflation that remains the worst in the Group of Seven nations. With the UK economy shrinking sharply in the first month of the third quarter and surveys raising the risk of a recession, officials have been unusually candid about the choices they face. Their comments also reflect the fire the BOE is under from members of Prime Minister Rishi Sunak's Conservative Party, who have fault Bailey for failing to move fast enough to contain inflation and think he may repeat the mistake as those pressures recede. For seasoned BOE watchers, the result may be a course-correction in a series of 14 consecutive rate hikes. Investors are leaning toward another quarter-point increase in the BOE's key rate from 5.25% at the meeting on Sept. 21, but doubts on markets over further hikes have mounted in recent weeks. The odds of another hike after that are now just above 50-50, with investors cutting their peak rate bets by almost 20 basis points since the August vote. That's a big shift in less than a month from the more than 6% that investors were pricing in for peak rates as recently as Aug. 17.

Fundamental Outlook: Gold and silver prices are trading slightly lower on the international bourses. We expect gold and silver prices to trade range-bound to higher for the day, as gold prices are steady after falling for a second day, as fresh US inflation data indicated the Federal Reserve may implement further monetary tightening this year.

Key Market Levels for the Day

Time	Month	S3	S2	S1	R1	R2	R3
Gold – COMEX	Dec	1900	1915	1930	1946	1960	1978
Silver – COMEX	Dec	22.60	22.82	23.00	23.20	23.37	23.55
Gold – MCX	Oct	58000	58250	58500	58700	58850	59000
Silver – MCX	Dec	70000	70600	71200	71700	72200	72850



Nirmal Bang Securities - Daily Currency Market Update

Dollar Index

LTP/Close	Change	% Change
104.77	0.06	0.05

Bond Yield

10 YR Bonds	LTP	Change
United States	4.2485	-0.0317
Europe	2.6490	0.0080
Japan	0.7130	0.0020
India	7.1960	-0.0320

Emerging Market Currency

Currency	LTP	Change
Brazil Real	4.9163	-0.0319
South Korea Won	1330	2.3500
Russia Rubble	96.1982	1.6842
Chinese Yuan	7.2717	-0.0206
Vietnam Dong	24147	32
Mexican Peso	17.1525	-0.0715

NSE Currency Market Watch

Currency	LTP	Change
NDF	83.09	-0.03
USDINR	83.02	0.0175
JPYINR	56.5	-0.1875
GBPINR	103.57	0.07
EURINR	89.1875	0.175
USDJPY	146.9	0.51
GBPUSD	1.2475	0
EURUSD	1.0749	0.0023

Market Summary and News

❖ Currency analysts expect the euro to extend its eight-week slide against the dollar even if the European Central Bank raises interest rates on Thursday to tame inflation. Traders see an almost 70% chance that the ECB lifts borrowing costs by a quarter-point on Thursday, after a Reuters report this week said the central bank now expects inflation to stay above 3% next year. And yet, analysts have weighed in with the broad expectation that a rate boost would deliver only a brief respite to the common currency. Although the euro has stabilized to start this week, it's been faltering the past couple months amid signs of weakening growth momentum in the region, which faces another winter of elevated energy costs. "We may see some euro strength if the ECB does hike, but we remain bearish on euro against the dollar for the rest of the year on much weaker Eurozone data," Bank of America strategists wrote in a note on Wednesday. The US rate premium over the euro region, stronger growth prospects in the world's largest economy as well as rising commodity prices that erode Europe's terms of trade are all working against the common currency, analysts said. A quarter-point ECB rate increase Thursday would take the main refinancing rate to 4.5%. The Federal Reserve, meanwhile, is expected to keep its benchmark rate on hold next week, in a range of 5.25% to 5.5%. On Wednesday, Citigroup Inc. lowered its 6- to 12-month forecast for the common currency to \$1.06 from \$1.14 previously. At about \$1.07 in New York trading on Wednesday, the euro has slumped from a 2023 closing high of about \$1.12 set in July. "The Eurozone recession now comes before, not after, that of the US," Citigroup analysts led by Adam Pickett wrote. The bank favors the currencies of commodity exporters with exposure to US or China and is underweight European currencies. On an ECB rate hike, "it'll be a moment to fade any EUR/USD strength," Nomura currency strategist Jordan Rochester said in an emailed comment.

❖ A Bloomberg gauge of the dollar edged lower after mixed inflation data showed core prices rose more than expected while headline figures were in line with estimates. The print was not enough to materially change wagers on the Federal Reserve's rate path, with odds of a November hike topping out near 50%, and traders quickly faded a spike higher in Treasury yields. The Bloomberg Dollar Spot Index slipped 0.1% after briefly jumping post-CPI release. Core CPI rose 0.3% in August vs. 0.2% expected, while headline CPI gained 0.6% as forecast. GBP/USD steady at 1.2493; earlier dropped to session low of 1.2436, lowest since June 8, after soft UK GDP release. Data showed the UK economy shrank at the fastest pace in seven months in July, with GDP slipping 0.5% vs. expected contraction of 0.2%. On Thursday, GBP 1.13b of cable options seen with strikes at 1.2475. EUR/USD slips 0.2% to 1.0737, versus 1.0711 day low seen just after US CPI; large offers around 1.0800: trader. Overnight volatility rises to high of 15.39%, highest since July 26; this is the second-lowest reading on the day ahead of an ECB policy meeting since June 2022. Chances of a 25bps hike Thursday now at 65%, versus 41% earlier this week, based on overnight index swap trading. USD/JPY advances 0.2% to 147.39, adding to Tuesday's 0.3% gain. Offshore yuan steadily gains through session, with USD/CNH off 0.4% to 7.2714 and pair set for third day of losses for first time since mid-July.

Key Market Levels for the Day

	S3	S2	S1	R1	R2	R3
USDINR Spot	82.6575	82.7575	82.8555	82.9975	83.0950	83.2175



Nirmal Bang Securities - Bullion Technical Market Update

Gold Market Update



Market View	
Open	58550
High	58695
Low	58523
Close	58593
Value Change	-33
% Change	-0.06
Spread Near-Next	420
Volume (Lots)	3294
Open Interest	11084
Change in OI (%)	-1.33%

Gold - Outlook for the Day

BUY GOLD OCT (MCX) AT 58500 SL 58250 TARGET 58800/58950

Silver Market Update



Market View	
Open	71750
High	71849
Low	71210
Close	71419
Value Change	-515
% Change	-0.72
Spread Near-Next	0
Volume (Lots)	17298
Open Interest	18026
Change in OI (%)	5.36%

Silver - Outlook for the Day

BUY SILVER DEC (MCX) AT 71000 SL 70200 TARGET 72000/72500



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Nirmal Bang Securities - Currency Technical Market Update

USDINR Market Update



Market View	
Open	82.97
High	83.035
Low	82.9375
Close	83.02
Value Change	0.0175
% Change	0.02
Spread Near-Next	0
Volume (Lots)	1232580
Open Interest	3818084
Change in OI (%)	0.00%

USDINR - Outlook for the Day

The USDINR future witnessed flat opened at 82.97, was followed by a session, which noticed consolidation in narrow range with candle closure near high. A small green candle formed for the USDINR price closed between its short-term moving averages. On the daily chart, the momentum indicator RSI trailing between 55-62 level, while MACD has made negative crossover above the zero-line. We are anticipating USDINR futures to trade in the range of 82.85 –83.15 for today.

Key Market Levels for the Day

	S3	S2	S1	R1	R2	R3
USDINR September	82.7025	82.8075	83.9075	83.1025	83.2025	83.3275



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