



India Bullion and Jewellers Association Ltd.

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Daily Bullion Physical Market Report

Date: 16th July 2021

Daily India Spot Market Rates

Description	Purity	AM	PM
Gold	999	48474	48424
Gold	995	48280	48230
Gold	916	44402	44356
Gold	750	36356	36318
Gold	585	28357	28328
Silver	999	69516	69233

* Rates are exclusive of GST as of 15th July 2021
Gold in Rs/10 Gm & Silver in Rs/Kg

Gold and Silver 999 Watch

Date	Gold*	Silver*
15 th July 2021	48424	69233
14 th July 2021	48155	69120
13 th July 2021	47951	68905
12 th July 2021	47846	68585

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

COMEX Futures Watch

Description	Contract	Close	Change	% Chg
Gold(\$/oz)	Aug	1829	4	0.22
Silver(\$/oz)	July	26.39	0.12	0.47

Bullion Futures DGCX

Description	Contract	LTP
Gold (\$/oz)	28 th July 2021	1830.4
Gold Quanto	27 th July 2021	48420
Silver (\$/oz)	27 th August 2021	26.41

ETF Holdings as on Previous Close

ETF	In Tons	Net Change
SPDR Gold	1,034.37	-2.91
iShares Silver	17,267.10	0.00

Gold and Silver Fix

Description	LTP
Gold London AM Fix(\$/oz)	1832
Gold London PM Fix(\$/oz)	1823.75
Silver London Fix(\$/oz)	26.21

Weekly CFTC Positions

	Long	Short	Net
Gold	1,46,582	53,578	93,004
Silver	61,193	25,636	35,557

Gold Ratio

Gold Silver Ratio	69.3
Gold Crude Ratio	25.53

MCX Indices

Index	Close	Net Change	% Change
MCX iCOMDEX Bullion	14830.24	38.54	0.26%

Macro-Economic Indicators

Time	Country	Event	Forecast	Previous	Impact
16 th July 6:00PM	United States	Core Retail Sales m/m	0.4%	-0.7%	High
16 th July 6:00PM	United States	Retail Sales m/m	-0.4%	-1.3%	High
16 th July 7:30PM	United States	Prelim UoM Consumer Sentiment	86.5	85.5	Medium
16 th July 7:30PM	United States	Business Inventories m/m	0.6%	-0.2%	Low
16 th July 7:30PM	United States	Prelim UoM Inflation Expectations	-	4.2%	Low



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Nirmal Bang Securities - Daily Bullion News and Summary

- Gold held gains around a one-month high as investors assessed Federal Reserve Chair Jerome Powell's defence of the central bank's stance to keep providing support to the U.S. economy despite higher-than-expected inflation data. The U.S. inflation level is "unique in history," Powell said Thursday in a Senate hearing in which he added that the central bank is closely watching to see whether its forecast that the high inflation will prove temporary is correct, or whether it threatens to be longer lasting. The comments come a day after he told a House hearing that it's still too soon to scale back the Fed's aggressive support for the U.S. economy, while acknowledging that inflation has risen faster than expected.
- It may not just be Treasury yields behind gold's surprising strength since June's Fed meeting. Central banks, by far the biggest players in the bullion market, are back buying after a year on the sidelines. Brazil is the latest example. International Monetary Fund data said the country added about 42 tons to its gold reserves in June, its biggest purchase in over two decades. Though IMF data is occasionally inaccurate (Brazil's central bank neither confirmed nor denied the data), if true in this case, it would join Serbia, Thailand and Hungary who also made chunky bullion purchases this year. It's a turnaround from 2020, when surging prices and coronavirus kept central banks on the sidelines. Gold's chief appeal is the diversification it brings versus the dollar, which forms the bulk of FX reserves. In any case, it may help explain why gold has held up so well in the face of taper talk by the Federal Reserve and a strong bounce back from the global economy. A decline of inflation-adjusted Treasury yields in the past month has also added to the appeal of a metal which bears no interest.
- Indonesia to Waive VAT on Gold Granules to Ensure Local Supply – Govt. to waive value-added tax on domestic sales of gold granules to ensure there is enough supply of the commodity for local gold bar and jewelry industry, according to a regulation. Govt. expects gold granule makers to sell their products in Indonesia, than to export them, after the VAT waiver rule takes effect. Gold granules to qualify for the VAT waiver are those with max. diameter of 7 millimetres, have 99.99% purity level and are produced by miners that hold mining contract or mining permit or special mining permit.
- For a second day, Federal Reserve Chairman Jerome Powell defended the central bank's stance to keep providing support to the U.S. economy even as inflation runs at uncomfortable levels. "This is a shock going through the system associated with the reopening of the economy and its driven inflation well above 2%, and of course we're not comfortable with that," Powell told the Senate Banking Committee Thursday. The Fed chair called the price developments "unique" in history and said the central bank is closely watching to see whether its forecast that the high inflation will prove temporary is correct, or whether it threatens to be longer lasting. "So we're really trying to understand the base case and also the risks," he said. This was Powell's second round of testimony this week on Capitol Hill. On Wednesday, he was peppered with questions about surging prices from lawmakers serving on the House Financial Services Committee. Powell said the surge in inflation so far had been concentrated in a limited number of areas, such as used car prices, and reiterated that he expects those increases to be transitory.

Fundamental Outlook: Gold and silver prices are trading slightly lower on international bourses. We expect precious metals prices on Indian bourses to trade higher for the day. We recommend buy on dips for intra-day trading session, as after Federal Reserve Chair Jerome Powell told Congress the central bank is committed to its ultra-easy stance despite rising inflation.

Key Market Levels for the Day

	Month	S3	S2	S1	R1	R2	R3
Gold – COMEX	August	1755	1770	1800	1840	1855	1878
Silver – COMEX	July	25.20	25.65	25.80	26.40	26.80	27.30
Gold – MCX	August	47900	48100	48250	48500	48700	48850
Silver - MCX	July	68000	68800	69400	70000	70500	71100



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Nirmal Bang Securities - Daily Currency Market Update

Dollar index

LTP/Close	Change	% Change
92.62	0.21	0.23

Bond Yield

10 YR Bonds	LTP	Change
United States	1.2989	-0.047
Europe	-0.335	-0.014
Japan	0.014	-0.005
India	6.192	-0.009

Emerging Market Currency

Currency	LTP	Change
Brazil Real	5.1119	0.0405
South Korea Won	1141.4	-7.15
Russia Ruble	74.3665	0.2833
Chinese Yuan	6.4609	-0.0083
Vietnam Dong	23015	-2
Mexican Peso	19.945	0.0643

NSE Currency Market Watch

Currency	LTP	Change
NDF	74.84	-0.02
USDINR	74.6475	-0.01
JPYINR	67.865	0.27
GBPINR	103.49	0.0125
EURINR	88.26	0.105
USDJPY	109.99	-0.41
GBPUSD	1.3865	0.0005
EURUSD	1.1821	0.0015

Market Summary and News

- The Indian rupee looks set to end its recent volatile phase as surging foreign inflows and a possible hawkish turn by the central bank curb swings. After turning from being Asia's best performer in the first quarter to its worst in April when another wave of Covid-19 infections took hold, the rupee is now likely to trade in tight ranges in the coming quarters. Rising imports amid a recovery in India's economic growth and higher commodity prices threaten to return the nation's current-account to deficit and may boost demand for the greenback. Yet, higher foreign inflows and the prospect of the Reserve Bank of India moving to control inflation may help control the rupee's volatility. Higher oil prices are definitely a negative for the current account but however, by boosting inflation, they may make the RBI more hawkish, which will support the rupee. Overall, the RBI is likely to intervene to oppose the INR's strength and smooth its volatility. With crude oil prices trading near a three-year high and inflation staying above the central bank's comfort zone, investors are girding for the RBI to signal some unwinding of its dovish policies at next month's policy review. The "current-account deficit has widened again, but foreign direct investments should remain solid which will aid rupee to maintain the range.
- The U.S. job market is still a ways off from the progress the Federal Reserve wants to see before reducing its support for the economy, while current high inflation will ease in coming months," Fed Chair Jerome Powell said in remarks prepared for delivery at a congressional hearing on Wednesday. "Inflation has increased notably and will likely remain elevated in coming months before moderating," Powell said, restating the U.S. central bank's faith that current price increases, he concerns they are raising about unmoored inflation, are tied to the reopening of the economy and will prove fleeting. Meanwhile "there is still a long way to go" in repairing a labor market that is 7.5 million jobs away from its pre-pandemic level, with the burden falling hardest on lower-wage workers and major ethnic and minority groups, and the overall participation rate still depressed, Powell said. Combined, the remarks show Powell holding to the Fed's core narrative that a fast-evolving recovery will bring millions of people back into jobs if it continues, that inflation will remain anchored over time around the Fed's 2% target, and that there is no reason to rush any tightening of monetary policy.
- Ongoing Fed bond-buying and a target interest rate held near zero "will ensure that monetary policy will continue to deliver powerful support to the economy until the recovery is complete. At the Fed's last policy meeting, some officials indicated the Fed may need to pull back faster than anticipated because of the jump in inflation. Powell restated that Fed discussions are underway about when it might be appropriate to reduce the central bank's \$120 billion in monthly bond purchases, and that employment gains are expected to continue. "Job gains should be strong in coming months as public health conditions continue to improve and as some of the other pandemic-related factors currently weighing them down diminish," Powell said. There was no mention in his testimony of the risks of the emerging Delta variant of the coronavirus, but a strong expectation that the recovery should continue unimpeded.

Key Market Levels for the Day

	S3	S2	S1	R1	R2	R3
USDINR Spot	74.1000	74.2500	74.3800	74.6000	74.7200	74.8500



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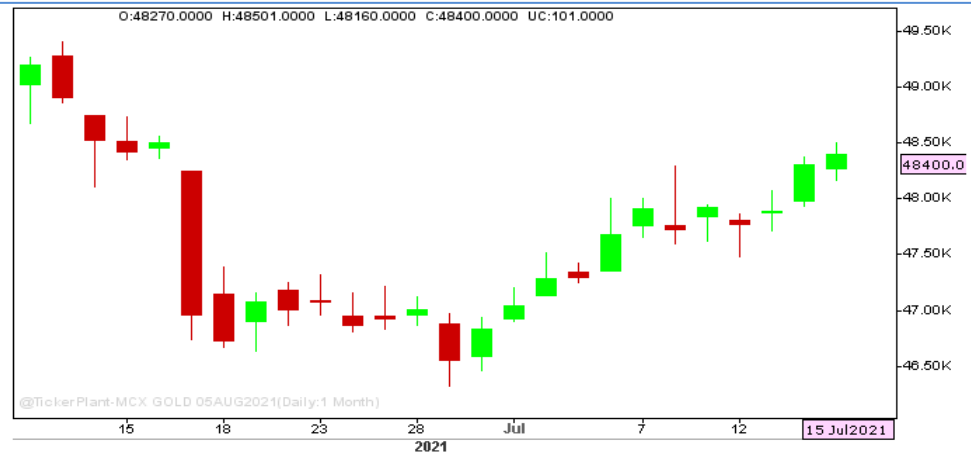
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Nirmal Bang Securities - Bullion Technical Market Update

Gold Market Update



Market View

Open	48270
High	48501
Low	48160
Close	48400
Value Change	101
% Change	0.21
Spread Near-Next	275
Volume (Lots)	6856
Open Interest	7742
Change in OI (%)	-7.61%

Gold - Outlook for the Day

Gold prices trading positive, and We are recommending going long for a target of 1840-60. We believe that the commodity can see support at lower levels and bounce back. Recommend buying on dips between 1780-90.

BUY GOLD AUG (MCX) AT 48250 SL 47950 TARGET 48600/48700

Silver Market Update



Market View

Open	69500
High	69889
Low	69401
Close	69681
Value Change	269
% Change	0.39
Spread Near-Next	1181
Volume (Lots)	9090
Open Interest	10079
Change in OI (%)	-1.53%

Silver - Outlook for the Day

Silver prices too trading ranged bound for the last two weeks. We recommend going long between 25.50-60 for the target of 26.50-70.

BUY SILVER SEPT (MCX) AT 69400 SL 68800 TARGET 70200/70500



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Nirmal Bang Securities - Currency Technical Market Update

USDINR Market Update



Market View

Open	74.68
High	74.77
Low	74.635
Close	74.6575
Value Change	0.0475
% Change	0.06
Spread Near-Next	0.2575
Volume	1498534
Open Interest	1655023
Change in OI (%)	0.38%

USDINR - Outlook for the Day

USDINR witnessed a positive open at 74.68 with marking the high at 74.77. However, the pair failed to retain the same leading the pair to give closure in red at 74.65. The pair has formed a flat red candle with closure in sideways indicating weakness in the pair. USDINR has given closure below the short-term moving average while holding support at the medium- and long-term moving average. USDINR if opens below 74.62 will witness the bearish momentum to test the lows of 74.53 – 74.45. However, an open above 74.70 could continue retracing the momentum towards 74.85 – 74.95. The daily strength indicator RSI and momentum oscillator both heading to the negative zone indicating weakness in the pair.

Key Market Levels for the Day

	S3	S2	S1	R1	R2	R3
USDINR July	74.1800	74.3000	74.4800	74.7500	74.9200	75.1200



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