



Daily Bullion Physical Market Report

Date: 18th September 2023

Daily India Spot Market Rates

Description	Purity	AM	PM
Gold	999	58945	59016
Gold	995	58709	58780
Gold	916	53994	54059
Gold	750	44209	44262
Gold	585	34483	34524
Silver	999	71476	71853

Rate as exclusive of GST as of 15th September 2023 Gold is Rs/10 Gm & Silver in Rs/Kg

Gold and Silver 999 Watch

Date	GOLD*	SILVER*
15 th September 2023	59016	71853
14 th September 2023	58697	70306
13 th September 2023	58791	70925
12 th September 2023	58865	70900

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

COMEX Futures Watch

Description	Contract	Close	Change	%Chg
Gold(\$/oz)	Dec 23	1946.20	0.30	0.02
Silver(\$/oz)	Dec 23	23.39	-0.19	-0.81

ETF Holdings as on Previous Close

ETFs	Long	Short
SPDR Gold	882.00	-2.89
iShares Silver	13,675.63	-32.80

Gold and Silver Fix

Description	LTP
Gold London AM Fix(\$/oz)	1918.70
Gold London PM Fix(\$/oz)	1927.70
Silver London Fix(\$/oz)	23.06

Bullion Futures DGCX

Description	Contract	LTP
Gold(\$/oz)	OCT. 23	1926.2
Gold Quanto	OCT. 23	59013
Silver(\$/oz)	DEC. 23	23.33

Gold Ratio

Description	LTP
Gold Silver Ratio	83.22
Gold Crude Ratio	21.44

Weekly CFTC Positions

	Long	Short	Net
Gold(\$/oz)	130952	81156	49796
Silver	32232	31048	1184

MCX Indices

Index	Close	Net Change	% Chg
MCX iCOMDEX Bullion	15564.49	144.96	0.93 %

Macro-Economic Indicators

Time	Country	Event	Forecast	Previous	Impact
18 th September 07:30 PM	United States	NAHB Housing Market Index	-	50	Low



Nirmal Bang Securities - Daily Bullion News and Summary

❖ Gold markets haven't been this calm since the onset of the Covid-19 pandemic, thanks to a deadlock between buyers and sellers that's showing no signs of breaking. Six-month historical gold volatility slumped to the lowest since February 2020 on Friday. The measure has plunged due to bullion largely staying confined to a range between \$1,900 and \$2,000 an ounce since mid-May. That's despite the dollar and inflation-adjusted Treasury yields surging over the same period, which would usually put bullion under major pressure. Gold buyers have supported the metal every time it slid to around \$1,900, essentially putting a floor under the market. Exchange-traded funds backed by the metal have seen their holdings shrink by 5% this year, according to an initial tally by Bloomberg, but that's not been enough to drive prices lower. Meanwhile, buying by central banks has stayed robust after a record year in 2022, according to data from the World Gold Council. On Friday, the precious metal gained the most in more than three weeks as traders weighed a slew of economic data ahead of next week's Federal Reserve interest-rate decision.

❖ One of Dubai's biggest gold refineries, suspended in July over concerns that its owners had ties to alleged money launderers, is being acquired by London-listed mining explorer. Rockfire Resources Plc is buying Dubai-based Emirates Gold DMCC in a reverse takeover under London's Alternative Investment Market rules, it said in a statement Friday. Rockfire, valued at less than £7 million (\$8.7 million) before trading was temporarily suspended on AIM, will pay a total of \$20 million. The London-listed company said the deal is conditional on Emirates Gold being restored to the United Arab Emirates's Good Delivery List. The UAE's suspension of the refinery's accreditation has prevented it from delivering bullion into the Dubai market, according to Rockfire. The owner of the refinery, Paloma Precious Metals DMCC, announced it bought 21.7% of Rockfire in June. As part of the proposed transaction, Rockfire will seek to raise £14.7 million through a share subscription. The UAE created its Good Delivery list as a standard for top precious metals firms. To maintain that accreditation, refiners must undergo annual audits to ensure they're complying with anti-money laundering and responsible sourcing laws. The clean-up of the gold sector is part of the UAE's bid to rehabilitate its financial reputation, after being added to a watch-list by a money laundering watchdog last year. The Paris-based Financial Action Taskforce named the UAE's gold industry as a cause for concern before adding the country to its "gray list." Two of the ultimate beneficial owners of Emirates Gold are relatives of Zimbabwean businessmen Simon Rudland and Howard Baker, Bloomberg reported in July. A documentary by Al Jazeera earlier this year alleged that the two men were involved in money laundering through the UAE's gold sector. It didn't name any specific UAE refiner in connection with them.

❖ Money managers have decreased their bullish gold bets by 16,544 net-long positions to 49,796, weekly CFTC data on futures and options show. The net-long position was the least bullish in three weeks. Long-only positions fell 3,487 lots to 130,952 in the week ending Sept. 12. The long-only total was the lowest in three weeks. Short-only positions rose 13,057 lots to 81,156. The short-only total was the highest in three weeks. Money managers have decreased their bullish silver bets by 12,794 net-long positions to 1,184, weekly CFTC data on futures and options show. The net-long position was the least bullish in four weeks. Long-only positions fell 6,437 lots to 32,232 in the week ending Sept. 12. The long-only total was the lowest in four weeks. Short-only positions rose 6,357 lots to 31,048. The short-only total was the highest in three weeks.

❖ Amid signs the bond market has bought into the Federal Reserve keeping interest rates higher for longer, a cohort of investors is placing bets on the economy hitting a wall — and a sharp policy reversal in short order. Treasury yields have settled into tight ranges this month near the highest levels in more than a decade as data show a resilient economy and inflation still well above the Fed's 2% target. But with yields anticipating a peak in the policy rate, the outlook for growth takes on greater importance. The past week has seen a pickup in demand for options that will turn a profit should interest rates tumble before the middle of next year. That's a direr scenario than what's seen in the swaps market, where traders are no longer pricing in a rate cut during the first half of 2024. Bond traders have been placing these sorts of bets since the hiking cycle began and so far they haven't panned out. But this time may be different as the Fed's tightening cycle has had more time to work through the economy. The Fed is widely expected to leave its policy rate unchanged next week after lifting it in July for the 10th time in an aggressive hiking cycle that began in March last year. It's also seen significantly raising its forecast for growth and indicating another rate increase this year in its so-called dot plot. The rate outlook for 2024 remains up for debate. In June, the median projection showed a full percentage point cut by the end of next year. The longer rates stay elevated so does the risk of a downturn, and at the margin there are more signs of consumer stress as higher borrowing costs and weaker hiring start to erode household spending. With the Fed seen being close to its policy rate peak, the focus is now on growth softening.

Fundamental Outlook: Gold and silver prices are trading higher on the international bourses. We expect gold and silver prices to trade range-bound to higher for the day, as gold prices are steady in Asia after rising 0.7% on Friday as US inflation expectations fell to the lowest in more than two years. The reading is likely to encourage Federal Reserve policymakers to reinforce expectations they will hold rates at this week's meeting.

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	22.90	23.15	23.35	23.50	23.72	23.88
Gold – MCX	Oct	58500	58650	58900	59200	59350	59550
Silver – MCX	Dec	70700	71500	72200	72850	73300	74000



Nirmal Bang Securities - Daily Currency Market Update

Dollar Index

LTP/Close	Change	% Change
105.32	0.64	0.61

Bond Yield

10 YR Bonds	LTP	Change
United States	4.3324	0.0461
Europe	2.6730	0.0830
Japan	0.7150	-0.0010
India	7.1990	0.0690

Emerging Market Currency

Currency	LTP	Change
Brazil Real	4.8647	-0.006
South Korea Won	1326	0.1000
Russia Rubble	96.697	0.3157
Chinese Yuan	7.2758	-0.0031
Vietnam Dong	24248	53
Mexican Peso	17.0784	-0.0318

NSE Currency Market Watch

Currency	LTP	Change
NDF	83.21	0.01
USDINR	83.185	0.13
JPYINR	56.4075	-0.115
GBPINR	103.2775	-0.3225
EURINR	88.715	-0.4975
USDJPY	147.52	0.65
GBPUSD	1.2417	-0.0057
EURUSD	1.0661	-0.0079

Market Summary and News

❖ The yen tumbled to its lowest level against the dollar since November, while the euro headed for its longest run of weekly losses since the common currency launched more than two decades ago. A Bloomberg gauge of the dollar was little changed after earlier falling on softer-than-expected readings of US consumer sentiment and inflation expectations. The Bloomberg Dollar Spot Index whipsawed, then ended up little changed after University of Michigan consumer reports; preliminary sentiment index came in at 67.7 in September (69 expected), while year-ahead inflation gauge was 3.1% (3.5% forecast). The dollar gauge is down 0.4% for the week, snapping eight straight weekly gains, the longest run since Bloomberg data began in 2005. EUR/USD climbs 0.2% to 1.0667 on Friday, with session high at 1.0688, a day after hitting its lowest level since March on expectations that the ECB may be done with rate hikes; the pair is down for a ninth straight week. Demand for downside exposure through options stays intact, with 1.05 strikes in focus over one- to three-month structures: traders. Large expiries Friday include 1.0600 (EU1.74b), 1.0650 (EU1.75b) and 1.0700 (EU2.4b): DTCC. "We maintain a bearish medium-term view provided the market continues to trade below the 1.0895-1.0948 resistance cluster and expect an eventual breakdown through the 1.0483-1.0516 early-2023 range lows," wrote JPMorgan technical strategists Jason Hunter, Alix Tepper Floman and Marko Kolanovic. USD/JPY rises 0.2% to 147.83, earlier advancing to 147.95, highest level since Nov. Yen pressured after people familiar with the matter said Bank of Japan officials see a discrepancy between what Governor Kazuo Ueda said in a recent interview and how traders interpreted the remarks. Risk reversals heading into the Sept. 22 BOJ meeting rally by as much as 124 basis points, puts over calls, and traded at low of -1.93 vols, the most bullish sentiment for the Japanese currency since July. "While policymakers' efforts to prop up the renminbi and the yen alone are not enough to generate a lasting turnaround, they will probably do enough to buy time until US interest rate expectations and Treasury yields fall back and the dollar depreciates of its own accord," wrote Jonas Goltermann, deputy chief markets economist at Capital Economics. GBP/USD reverses earlier gains, to be down 0.2% at 1.2388; cable set for a second weekly drop with focus on next week's BOE decision; USD/CHF up 0.1% to 0.8968, with supportive flows seen into the London fix around NY session low of 0.8953.

❖ Better-than-expected data on China's retail sales and industrial production is boosting some Latin American currencies on Friday. The Chilean peso is up 0.5% against the US dollar, while Mexico's peso is climbing 0.3%. The Peruvian sol fell after the central bank cut its benchmark rate and warned that reductions may not be consecutive. The Brazilian real erased earlier gains, falling. China's industrial output and retail sales growth jumped in August from a year earlier, beating expectations and showing more signs of stability within the world's second-largest economy. Chilean peso and Mexican peso also advanced amid gains in commodities. Brazilian real swings between gains and losses. Peru's central bank delivered its first rate cut since the pandemic, lowering it to 7.5% from 7.75% as expected by a majority of analysts. The sol fell as policymakers warned that the decision to cut rates "doesn't necessarily imply a cycle of successive reductions in the interest rate." Peru's economy contracted more than all forecasts in July, boosting the chance that the central bank will extend the monetary easing it began this week. The economy shrank 1.3% from a year earlier, the national statistics agency said Friday. The extra yield investors demand to own emerging market sovereign dollar bonds rather than US Treasuries narrowed by the most in three weeks on bets that the Federal Reserve will opt to leave rates unchanged at its meeting next week. MSCI's currency index edged lower for the first day in six, but is headed for its third weekly rise in the past four weeks.

Key Market Levels for the Day

	S3	S2	S1	R1	R2	R3
USDINR Spot	82.8075	82.9375	83.0255	83.1375	83.2050	83.2875



Nirmal Bang Securities - Bullion Technical Market Update

Gold Market Update



Market View	
Open	58674
High	59148
Low	58673
Close	58993
Value Change	405
% Change	0.69
Spread Near-Next	482
Volume (Lots)	5473
Open Interest	9766
Change in OI (%)	-10.13%

Gold - Outlook for the Day

BUY GOLD OCT (MCX) AT 58900 SL 58650 TARGET 59200/59350

Silver Market Update



Market View	
Open	71260
High	72649
Low	71260
Close	72154
Value Change	1172
% Change	1.65
Spread Near-Next	0
Volume (Lots)	26555
Open Interest	16535
Change in OI (%)	-20.53%

Silver - Outlook for the Day

BUY SILVER DEC (MCX) AT 72200 SL 71300 TARGET 73300/73800



Nirmal Bang Securities - Currency Technical Market Update

USDINR Market Update



Market View	
Open	83.0875
High	83.2275
Low	83.0175
Close	83.185
Value Change	0.13
% Change	0.16
Spread Near-Next	0
Volume (Lots)	2145367
Open Interest	3596406
Change in OI (%)	-2.86%

USDINR - Outlook for the Day

The USDINR future witnessed a flat opening at 83.08, which was followed by a session that showed buying from lower levels with candle closures near the highs. A long green candle formed for the USDINR price as it taken the support of 10 day moving average placed at 83.08. On the daily chart, the momentum indicator RSI trailing between 56-62 level, while MACD has made a negative crossover above the zero-line. We are anticipating that the price of USDINR futures will fluctuate today between 83.05 and 83.28.

Key Market Levels for the Day

	S3	S2	S1	R1	R2	R3
USDINR September	82.9025	82.9875	83.0775	83.2825	83.3325	83.4575



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