India Bullion and Jewellers Association Ltd. Since1919

beyond powered by NIRMAL BANG a relationship beyond broking

India Bullion And Jewellers Association Ltd. Celebrating 102 Years 1919 - 2021

Daily Bullion Physical Market Report — **Date: 25th November 2021**

Daily India Spot Market Rates

Description	Purity	AM	PM
Gold	999	47736	47584
Gold	995	47545	47393
Gold	916	47326	43587
Gold	750	35802	35688
Gold	585	27926	27837
Silver	999	61377	62941

** Rates are exclusive of GST as of 24th November 2021*
Gold in Rs/10 Gm & Silver in Rs/Kg

Gold and Silver 999 Watch

Date	Gold*	Silver*
24th November 2021	47584	62941
23rd November 2021	47826	63781
22nd November 2021	48834	65829
18th November 2021	49235	66486

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

COMEX Futures Watch

Description	Contract	Close	Change	% Chg
Gold($/oz)	Feb	1786.90	0.60	0.03
Silver($/oz)	Mar	23.54	0.04	0.19

Bullion Futures DGCX

Description	Contract	LTP
Gold ($/oz)	26th November 2021	1784.8
Gold Quanto	25th November 2021	47458
Silver ($/oz)	26th November 2021	23.53

ETF Holdings as on Previous Close

ETF	In Tons	Net Change
SPDR Gold	991.11	0.00
iShares Silver	17,021.74	0.00

Gold and Silver Fix

Description	LTP
Gold London AM Fix($/oz)	1790.80
Gold London PM Fix($/oz)	1782.05
Silver London Fix($/oz)	23.50

Weekly CFTC Positions

	Long	Short	Net
Gold	2,08,350	44,307	1,64,043
Silver	59,839	23,969	35,870

Gold Ratio

Gold Silver Ratio	75.92
Gold Crude Ratio	22.79

MCX Indices

Index	Close	Net Change	% Change
MCX iCOMDEX Bullion	14126.30	8.46	0.06%

Macro-Economic Indicators

Time	Country	Event	Forecast	Previous	Impact
25th November 07:00 PM	United States	Holiday on account of Thanks Giving	-	-	-

Nirmal Bang Securities - Daily Bullion News and Summary

- Gold fell to the lowest in almost three weeks as the dollar strengthened after a slew of U.S. data signaled improvements ahead in the world's biggest economy. The greenback surged to its strongest level in more than a year after a swath of U.S. economic data was released Wednesday, including figures that showed jobless claims at the lowest level in decades and a jump in consumer spending. An inflation gauge followed by the Fed posted its biggest gain since 1990. Such positive sign lessens the appeal of gold among investors, who flock to the haven asset during times of economic turmoil. The personal consumption expenditures price gauge rose 0.6% from a month earlier and 5% from October 2020. The figures come as some Fed officials are advocating for a faster tapering of the central bank's asset-purchase program than initially planned. Gold prices have slipped about 3.1% since Monday's White House announcement of the renomination of Fed Chair Jerome Powell, who is considered slightly more hawkish than the other prospective candidate.

- After amending the mutual fund regulations to allow launch of exchange-traded funds on silver earlier this month, Securities and Exchange Board of India issued a circular on operating norms for silver as well as gold ETFs. The silver ETF mutual fund plan shall invest at least 95% of the net assets of the plan in silver and silver related instruments, the market regulator said. The physical silver for such ETFs shall be of standard 30 kg bars with 99.9% purity confirming to London Bullion Market Association (LBMA) Good Delivery Standards. A dedicated fund manager with relevant skill and experience in commodities market including commodity derivatives market shall be appointed to manage such commodity based gold and silver ETFs, the regulator said. Physical verification of silver underlying the Silver ETF units shall be carried out by the statutory auditor of mutual fund and shall report the same to trustees on half yearly basis. The regulator also introduced additional norms for Gold ETFs in the same circular.

- Federal Reserve officials at their last meeting stressed the need for flexibility on how quickly they will scale back their bond-buying program as well as the timing of interest-rate increases, before data showed inflation accelerating. "Participants stressed that maintaining flexibility to implement appropriate policy adjustments on the basis of risk-management considerations should be a guiding principle in conducting policy," according to minutes released Wednesday of the Nov. 2-3 gathering of the central bank's policy-setting Federal Open Market Committee. "Various participants noted that the committee should be prepared to adjust the pace of asset purchases and raise the target range for the federal funds rate sooner than participants currently anticipated if inflation continued to run higher than levels consistent with the committee's objective," the minutes showed. At the meeting, the FOMC decided to leave interest rates near zero and begin scaling back the pace of purchases in the $120-billion-per-month bond-buying program it launched last year, with an eye toward completing the process by mid-2022.

- Inflationary pressure stemming from supply constraints and discipline for many commodities, trade barriers and rising wage expectations may keep real interest rates negative in 2022, potentially supporting gold prices well above consensus. Though a price rally to more than $2,000 an ounce is unlikely, we believe support above $1,750 is possible. Under a scenario where inflation is more than transient -- even as supply chains normalize -- real interest rates could remain negative for longer than anticipated, boosting gold's appeal and rendering the consensus price too bearish. Given the likelihood of rising interest rates as the global economy recovers, it's perhaps unsurprising that gold-price forecasts have the metal falling to $1,725 an ounce in 2022 and $1,650 in 2023 vs. the spot price of $1,842, as of Nov. 22. Consensus is even more divergent vs. the customary contango gold forward curve, with the difference at $335 an ounce in 2024. Though gold producers have eschewed hedging over the past decade, this price difference may prompt some to look at locking in attractive forward prices.

- While physical gold demand is on track for a strong 2021 rebound across most sectors, the market needs another year of robust gains to offset the more-tenuous investor interest demonstrated by ETF outflows. It appears gold supply may increase just enough for the balance to register a slightly higher year-over-year surplus in 2022. Aggregate 2022 ETF and over-the-counter (OTC) investment in gold could decline by 150 metric tons, based on our scenario analysis, though a sustained resurgence in jewellery and industrial orders is likely to absorb more of the metal. However, investment needs may be more fragile in a scenario where inflation turns out to be benign, with OTC demand having to step up and absorb ETF outflows. After 2021's strong rebound of almost 8% in gold needs, physical demand for the metal may slow to 2% in 2022, with many end-demand sectors back at pre-pandemic levels Though gold supply contracted along with demand in 2020, the virus-driven dent wasn't nearly as severe, suggesting 2021 and 2022 recoveries may also be more muted, at a growth pace of about 1.5%.

- **Fundamental Outlook:** Gold and silver prices are trading slightly higher today on international bourses. We expect precious metals prices on Indian bourses to trade range-bound to slightly higher for the day. We recommend buying on dips in intra-day trading session. Today U.S. will be observing holiday on account of the thanksgiving.

Key Market Levels for the Day

	Month	S3	S2	S1	R1	R2	R3
Gold – COMEX	December	1750	1765	1780	1800	1825	1855
Silver – COMEX	December	22.50	22.80	23.20	23.75	23.90	24.20
Gold – MCX	December	47000	47200	47500	47750	48000	48200
Silver - MCX	December	61400	62000	62700	63100	63650	64250

Nirmal Bang Securities - Daily Currency Market Update

Dollar index

LTP/Close	Change	% Change
96.88	0.38	0.40

Bond Yield

10 YR Bonds	LTP	Change
United States	1.6341	-0.0310
Europe	-0.2300	-0.0080
Japan	0.0830	0.0080
India	6.3680	0.0040

Emerging Market Currency

Currency	LTP	Change
Brazil Real	5.6015	0.0107
South Korea Won	1186.25	-3.4000
Russia Ruble	74.9865	0.686
Chinese Yuan	6.3924	0.0004
Vietnam Dong	22690	15
Mexican Peso	21.4251	0.2019

NSE Currency Market Watch

Currency	LTP	Change
NDF	74.89	-0.09
USDINR	74.435	-0.0475
JPYINR	64.7425	-0.165
GBPINR	99.4675	-0.1175
EURINR	83.5025	-0.36
USDJPY	114.97	0.12
GBPUSD	1.3358	-0.0014
EURUSD	1.122	-0.004

Market Summary and News

- The Bank of England's top two officials raised questions about the certainty of an interest-rate increase in December, noting the decision would be finely balanced. Governor Andrew Bailey told that risks to the U.K. economy are two-sided at the moment, with slowing growth and rising inflation. Bailey also emphasized that the BOE will have to act if second-round effects, particularly in wage bargaining and the labor market start seeping though into higher prices. After a week in which inflation hit the highest in a decade and an official report indicated the labor market is tightening, Bailey indicated it is not much of a concern. While Bailey said his remarks were consistent with what he said in October, the tone was more careful than his comments in the lead-up to the BOE's meeting earlier this month. Market moved quickly to price in the first rise in borrowing costs since the pandemic after Bailey said at a Group of 30 event that the BOE will have to act to curb inflationary forces. Policy-makers wrong-footed the market on Nov. 4 by leaving rates unchanged. Since then, Bailey has sought to emphasize the conditions he attached to his comment about the likelihood that policy will tighten soon, and Pill added to that effort on Friday. Together, the comments raise doubts whether the BOE will raise rates at the next meeting on Dec. 16, something financial markets have priced in as a near certainty.

- What happens in February is also in focus for pound. The big question is whether the Monetary Policy Committee raises borrowing costs to 0.5% by then, the threshold after which policy makers may let gilts that mature in its 875 billion-pound ($1.2 trillion) asset-purchase program roll out of the portfolio without being replaced. The money markets were betting the key rate will be about nine basis points short of hitting that level. Bailey highlighted issues that may give policy makers reasons to pause before moving, namely that the pace of recovery has slowed and that the cause of inflation is higher energy prices due to a supply squeeze which won't be cured by higher rates. Also, it may take time to assess whether expectations about future inflation are rising in an alarming way or if that kind of thinking is starting to seep into the wages sought by workers.

- The European Central Bank is serious about ending its emergency bond-buying program in March and may not need to expand regular asset purchases to cover the shortfall, according to Governing Council member Francois Villeroy de Galhau. The Bank of France chief's reluctance to commit to more stimulus comes amid a bout of elevated inflation -- but also as Europe's economic outlook is clouded by a spike in Covid-19 infections that have triggered lockdowns in some countries. Villeroy said that while health is the No. 1 priority, each wave of the pandemic has caused less damage than the last, and the continent's high vaccination rates will prove an economic advantage. Once the ECB has exited its emergency stimulus program, known as PEPP, it should gradually adapt its pre-crisis APP program as a second step and remain open in terms of pace and timing, he told in an interview. After Villeroy's comments on the end of PEPP were published, investors pushed up Italian borrowing costs. The country's 10-year bond yield climbed eight basis points to 0.94%, widening the premium over German counterparts by three basis points to 124. "From today's perspective, we should end PEPP net purchases in March 2022. Increasing the net purchases of APP after PEPP is at this stage a possibility, but not yet a necessity," Villeroy said.

Key Market Levels for the Day

	S3	S2	S1	R1	R2	R3
USDINR Spot	74.1000	74.2500	74.4000	74.6500	74.8000	74.9800

India Bullion and Jewellers Association Ltd. Since1919

beyond powered by NIRMAL BANG a relationship beyond broking

India Bullion And Jewellers Association Ltd. Celebrating 102 Years 1919 - 2021

Nirmal Bang Securities - Bullion Technical Market Update

Gold Market Update

Market View	
Open	47569
High	47674
Low	47253
Close	47438
Value Change	4
% Change	0.01
Spread Near-Next	349
Volume (Lots)	5037
Open Interest	4033
Change in OI (%)	-18.65%

Gold - Outlook for the Day

In Gold We have seen selloff in gold prices for second day too which left the yellow metal red in a last trading session. It seems that the prices are likely to take support around 1750-60. We are recommending buying on dips for the target of 1810-20.

BUY GOLD DEC (MCX) AT 47500 SL 47200 TARGET 47850/48000

Silver Market Update

Market View	
Open	62877
High	63029
Low	62374
Close	62635
Value Change	126
% Change	0.2
Spread Near-Next	990
Volume (Lots)	9761
Open Interest	6043
Change in OI (%)	-15.24%

Silver - Outlook for the Day

Silver witnessed selloff continuously for the two days. We are recommending buying on dips around 23.50-60 for target 24.00-24.20.

BUY SILVER DEC (MCX) AT 62700 SL 62000 TARGET 63500/64000

India Bullion and Jewellers Association Ltd. Since1919

beyond powered by NIRMAL BANG a relationship beyond broking

India Bullion And Jewellers Association Ltd. Celebrating 102 Years 1919 - 2021

Nirmal Bang Securities - Currency Technical Market Update

USDINR Market Update

Market View	
Open	74.46
High	74.5975
Low	74.3375
Close	74.435
Value Change	-0.0475
% Change	-0.06
Spread Near-Next	-0.3018
Volume	1729238
Open Interest	1466257
Change in OI (%)	-11.76%

USDINR - Outlook for the Day

USDINR witnessed a weak open at 74.46 and thereafter remained highly volatile within the range of 74.60-74.33 with closure in flat red at 74.46. On the daily chart, the pair has formed a flat red candle which is accompanied by shadows in both side and a sideways closure indicating indecisiveness. USDINR if opens below 74.38 will witness bearish momentum towards 74.20-74.08 and one can go short. However, an open above 75.55 will lead the pair to test the highs of 75.72-74.80. The daily strength indicator RSI and momentum oscillator both are below the reference line indicating weakness in the pair.

Key Market Levels for the Day

	S3	S2	S1	R1	R2	R3
USDINR November	73.9000	74.1000	74.2800	74.6200	74.7500	74.8800

Nirmal Bang Securities – Commodity Research Team

Name	Designation	E-mail
Kunal Shah	Head of Research	kunal.shah@nirmalbang.com
Devidas Rajadhikary	AVP Commodity Research	devidas.rajadhikary@nirmalbang.com
Harshal Mehta	AVP Commodity Research	harshal.mehta@nirmalbang.com
Ravi D'souza	Sr. Research Analyst	ravi.dsouza@nirmalbang.com
Smit Bhayani	Research Associate	smit.bhayani@nirmalbang.com
Riya Singh	Currency Research Analyst	riya.singh@nirmalbang.com

Address: Nirmal Bang Securities Pvt. Ltd., B2, 301 / 302, 3rd Floor, Marathon Innova, Opp. Peninsula Corporate Park, Ganpatrao Kadam Marg, Lower Parel (W), Mumbai - 400 013, India