



# India Bullion and Jewellers Association Ltd.

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Daily Bullion Physical Market Report

Date: 8<sup>th</sup> September 2021

### Daily India Spot Market Rates

Description	Purity	AM	PM
Gold	999	47478	47399
Gold	995	47288	47209
Gold	916	43490	43417
Gold	750	35609	35549
Gold	585	27775	27728
Silver	999	64792	64135

\* Rates are exclusive of GST as of 07<sup>th</sup> September 2021  
Gold in Rs/10 Gm & Silver in Rs/Kg

### COMEX Futures Watch

Description	Contract	Close	Change	% Chg
Gold(\$/oz)	Dec	1798.50	-35.20	-1.92
Silver(\$/oz)	Sep	24.37	-0.43	-1.73

### ETF Holdings as on Previous Close

ETF	In Tons	Net Change
SPDR Gold	998.52	0.00
iShares Silver	17,040.54	-63.38

### Weekly CFTC Positions

	Long	Short	Net
Gold	1,45,672	51,080	94,592
Silver	47,636	37,460	10,176

### MCX Indices

Index	Close	Net Change	% Change
MCX iCOMDEX Bullion	14311.48	-146.78	-1.03%

### Gold and Silver 999 Watch

Date	Gold*	Silver*
7 <sup>th</sup> September 2021	47399	64135
6 <sup>th</sup> September 2021	47534	64957
3 <sup>rd</sup> September 2021	47246	63475
2 <sup>nd</sup> September 2021	47274	63592

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

### Bullion Futures DGCX

Description	Contract	LTP
Gold (\$/oz)	28th September 2021	1797.2
Gold Quanto	24th September 2021	46959
Silver (\$/oz)	26th November 2021	24.38

### Gold and Silver Fix

Description	LTP
Gold London AM Fix(\$/oz)	1810.75
Gold London PM Fix(\$/oz)	1802.15
Silver London Fix(\$/oz)	24.25

### Gold Ratio

Gold Silver Ratio	73.79
Gold Crude Ratio	26.31

### Macro-Economic Indicators

Time	Country	Event	Forecast	Previous	Impact
8 <sup>th</sup> September 6:00PM	United States	JOLTS Job Openings	10.05M	10.07M	Medium
8 <sup>th</sup> September 10:40PM	United States	FOMC Member Williams Speaks	-	-	Medium



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

- Gold fell the most in more than a month as the dollar strengthened and inflation-adjusted rates advanced after the Labor Day break. A gauge of the dollar gained for a second consecutive day, helped by increases in U.S. bond yields. Rates in the U.S. had already surged following a weaker-than-expected jobs report Friday, which lifted real rates and limited the upside for non-interest-bearing gold. Bullion traders are weighing the economic impact from the Covid-19 delta variant and the timeline of central banks' eventual pullback of massive stimulus, which was a pillar in the precious metal's ascent to a record last year. Gold is also being pressured by an increase in an indicator of traders' inflation expectations - the U.S. breakeven inflation rate for 10-year CPI-linked bonds. The rate rose to a one-week high on Tuesday. Investors will be on the watch for any hints of policy changes from a meeting of the European Central Bank later this week. The bank has taken a more cautious approach than the Federal Reserve, but some of its members have raised the prospect of tapering.
- Gold bulls just cannot catch a break right now. It's taken the yellow metal just two days to wipe out its post-payrolls gains -- a print which could hardly have been more favourable. There's a host of factors at play, not least the strength of the dollar. Gold has also dropped clear through all its key moving averages, as well as the psychologically important \$1800 and ounce mark. Perhaps most crucial has been the reaction in real Treasury yields. Weirdly, they've climbed after a jobs report showed the U.S. recovery was looking shaky. I'll leave explaining why to my more learned colleagues. In any case, it's bad news for fans of non-interest-bearing metal.
- Gold vault holdings tracked by the London Bullion Market Association rose for a fourth month, reaching a value of \$567 billion, the LBMA said in a statement. Silver vault holdings fell for a second month, to 36,567 tons. Data represents the holdings of six custodians which are members of the LBMA, as well as the Bank of England for gold.
- It's not an easy time to be Fed Chair. As the U.S. moves toward an exit from the Covid crisis, Jerome Powell and his team face risks in two directions. Taper too slowly and there's the chance inflation will spiral higher, requiring a harsher tightening path in 2022. Taper too fast and the risk is a repeat of the 2013 tantrum, with sharply higher borrowing costs disrupting the recovery. Run Bloomberg's new SHOK function to model risks to the U.S. recovery and what they would mean for growth, inflation and Fed policy. Dallas Fed President, Robert Kaplan cautioned in a recent interview that wage inflation may be more persistent than the current transitory view supported by Powell. A first step down the path to a wage-price spiral would be an increase in inflation expectations. Given the worry over inflation, Kaplan suggested a swift move to reduce asset purchases, which he said served its purpose of increasing demand during the pandemic, but now has limited marginal benefit.
- The composition of the Governing Council leans dovish, which means the hawks usually have a hard time to get their way. Thursday's meeting may be no different. While the market expects the European Central Bank to begin slowing its pandemic bond purchases due to inflationary pressures, soft data out of the euro area on aggregate, the German elections and the Federal Reserve meeting later this month and the risks posed to growth prospects due to Covid-19 variants could mean the ECB will trail the Fed in announcing tapering plans after all.

**Fundamental Outlook:** Gold and silver prices are trading lower today on international bourses. We expect precious metals prices on Indian bourses to trade range-bound to slightly higher for the day. We recommend buy on dips for intra-day trading session, as bullion traders are weighing the economic impact from the Covid-19 delta variant and the timeline of central banks' eventual pullback of massive stimulus, which was a pillar in the precious metal's ascent to a record last year.

#### Key Market Levels for the Day

	Month	S3	S2	S1	R1	R2	R3
Gold – COMEX	December	1755	1770	1790	1830	1850	1870
Silver – COMEX	September	22.70	23.50	23.70	24.30	24.45	24.75
Gold – MCX	October	46500	46700	46870	46950	47150	47400
Silver - MCX	September	63000	63700	64200	65000	65500	66100



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### Nirmal Bang Securities - Daily Currency Market Update

#### Dollar index

LTP/Close	Change	% Change
92.51	0.48	0.52

#### Bond Yield

10 YR Bonds	LTP	Change
United States	1.3732	0.0508
Europe	-0.3230	0.0450
Japan	0.0430	-0.0080
India	6.1950	0.0230

#### Emerging Market Currency

Currency	LTP	Change
Brazil Real	5.1699	-0.0229
South Korea Won	1157.75	1.2500
Russia Ruble	73.2935	0.2911
Chinese Yuan	6.4667	0.0085
Vietnam Dong	22753	-18
Mexican Peso	19.941	0.0263

#### NSE Currency Market Watch

Currency	LTP	Change
NDF	73.58	0
USDINR	73.5525	0.325
JPYINR	66.9125	0.23
GBPINR	101.49	0.125
EURINR	87.3475	0.4225
USDJPY	109.95	0.08
GBPUSD	1.3795	-0.0043
EURUSD	1.1882	0.0013

#### Market Summary and News

- A data-dependent Federal Reserve will take note of the disappointing August jobs report, but in our view it's not a taper-timeline deal-breaker. A deeper look shows earnings growth was much better than expected and broadly balanced indicating labor demand remains strong. Moreover, job deceleration was narrowly concentrated in sectors most at risk from the delta variant. The services ISM for the same month exhibited broad strength. If the economy is losing steam too quickly, the Fed may need to reconsider moving ahead with taper in 2021. Covid-concentrated weakness leaves space for a September-October revival in job growth. Fed Chair Jerome Powell has taken pains to disconnect taper from rate signaling. Coupled with plausible Covid-sensitive weakness, it's less of a surprise that financial market participants did not react strongly to what was, at least on the headline, a clear miss.
- Mobility indicators slid in Japan following an expansion of a state of emergency which placed around 80% of the economy under strict restrictions. Equity prices rallied despite an overall stable-to-weaker trend in other high-frequency indicators, as reports of an upcoming change in the country's leadership lifted investor sentiment. From Aug. 27, Japan added eight more areas to a growing list of regions under the state of emergency. That saw activity weaken even as the weekly virus caseload fell for the first time since late June. Prime Minister Yoshihide Suga's resignation announcement sent the Topix to the highest since April 1991 on Friday. The gauge continued to rise in Monday's trading. Despite the upbeat market sentiment, the short-term economic outlook remains sluggish. An elevated death toll means the government may once again need to extend the state of emergency for Tokyo and surrounding areas, currently due to end on Sept. 12.
- The rupee tumbled by the most in seven weeks on increased dollar demand by local companies likely to meet import payments. Bonds fell after the central bank announced additional operations aimed at draining liquidity from the banking system. Rupee declined on account of higher dollar demand from a large conglomerate to meet import payments and dividend. The move was primarily local, triggered by outflows of nearly \$1 billion across corporates. The flows were bunched up as the U.S. market was closed yesterday and could be an exaggerated impact that most likely wouldn't last. RBI has clearly shown intent that they don't want the rupee appreciating beyond 73 per dollar, which plays on the mind of speculators.

#### Key Market Levels for the Day

	S3	S2	S1	R1	R2	R3
USDINR Spot	72.9500	73.1000	73.3000	73.6200	73.7800	73.9000



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### Nirmal Bang Securities - Bullion Technical Market Update

#### Gold Market Update



#### Market View

Open	47402
High	47435
Low	46864
Close	46939
Value Change	-486
% Change	-1.02
Spread Near-Next	0
Volume (Lots)	7182
Open Interest	10556
Change in OI (%)	4.23%

#### Gold - Outlook for the Day

Gold prices trading positive, and We are recommending going long for a target of 1825-40. We believe that the commodity can see support at lower levels and bounce back. Try to buy on dips between 1790-1800 for the target of 1830-45.

**SELL GOLD OCT (MCX) AT 47150 SL 47450 TARGET 46870/46750**

#### Silver Market Update



#### Market View

Open	65220
High	65235
Low	64224
Close	64621
Value Change	-671
% Change	-1.03
Spread Near-Next	0
Volume (Lots)	13690
Open Interest	8631
Change in OI (%)	5.94%

#### Silver - Outlook for the Day

Silver prices too trading ranged bound for the last two weeks. We recommend going long between 23.30-20 for the target of 24.00-24.30.

**BUY SILVER DEC (MCX) AT 64200 SL 63600 TARGET 65000/65500**





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### Nirmal Bang Securities - Currency Technical Market Update

#### USDINR Market Update



#### Market View

Open	73.225
High	73.5875
Low	73.1775
Close	73.5525
Value Change	0.325
% Change	0.44
Spread Near-Next	0.5807
Volume	1879280
Open Interest	1684100
Change in OI (%)	-1.33%

#### USDINR - Outlook for the Day

USDINR witnessed a flat open at 73.22 followed by strong session in green marking the high at 73.58 with closure near the same at 73.56. On the daily chart, the pair has formed a long green candle with closure in higher highs and lows indicating positive bias in the pair. USDINR has given closure above short-term moving averages while maintaining a resistance at middle and long-term moving averages. USDINR if opens below 73.48, it will witness a bearish momentum towards 73.20 – 73 and one can go short. However, an open above 73.62 will lead the pair to test the highs of 73.75 - 73.85. The daily strength indicator RSI and momentum oscillator both are still below the reference line indicating weakness in the pair.

#### Key Market Levels for the Day

	S3	S2	S1	R1	R2	R3
USDINR September	73.1000	73.2500	73.4000	73.6800	73.8200	74.0000



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