



**INDIA BULLION AND JEWELLERS
ASSOCIATION LTD.**
Since 1919



Daily Market Update

Report as on Friday, August 10, 2018

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Gold prices edged marginally up in yesterdays session attempted to move higher following a softer than expected U.S. wholesale price report that showed inflation was coming in less than expected. This initially eased U.S. treasuries and allowed the yellow metal to rise, but traders came in and quickly sold resistance levels, keeping gold prices range bound until Friday's Consumer Price Report. Gold remains range bound caught between resistances near the August highs at \$1222, which coincide with the 10-day moving average and support which is the August lows at 1,206 and the July 2016 lows at 1,204. Meanwhile, markets are looking ahead to the outcome of trade talks between the United States and Japan later in the day.

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The 35th Annual India International Jewellery Show Opens in Mumbai - The IJS, now in its 35th year, opened today at the Bombay Exhibition Centre, fresh from a makeover and considerable changes in its format designed to streamline the experience for attendees. This year, the five-day show, running Aug. 9–13, added a special preview day on Aug. 8 exclusively for international buyers and select leading retailers, retail chains, industry leaders, and media. Also new for 2018: the introduction of the 10,800-square-meter Hall 7A, incorporating 800 extra booths and many new exhibitors.

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Golden disfavour - Global gold prices are currently ruling in their lowest in a year. Still, the demand for the yellow metal in the country is dissipating. At least, the numbers say so. The retail price of gold has come down by over 3.5 per cent in a month's time. When extrapolated, this will work out to a drop of 40 per cent per annum. According to a WGC report, India's gold demand declined by eight per cent at 187.2 tonnes during April-June quarter this fiscal compared to second quarter of last year when the demand stood at 202.6 tonnes. In terms of value, the demand worked out to `52,692 crore, a tad low from `52,750 crore during the second quarter of 2017. Jewellery sales also saw a dip at 147.9 tonnes compared to 161 tonnes in the same period last year – a drop of eight per cent.

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Silver losing charm as foreign buyers keep off - India's silver jewellery is fast losing its charm in the global markets as exports have fallen sharply by 93.04 per cent in the first quarter of current fiscal, compared with Q1 of FY18, with buyers from the Middle East, the US and other nations staying away. Trader said the price of silver has been range bound in the first six months, which has affected its demand in the overseas markets. Exporters are now eyeing emerging markets such as the CIS countries to market silver jewellery. Pramod Agarwal, chairman, Gem & Jewellery Export Promotion Council (GJEPC), said that 5 per cent VAT imposed by the UAE has brought down silver jewellery exports to the region.

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More Skeletons Begin Tumbling Out Of The 80:20 Gold Scheme Cupboard - The 6 August Chennai edition of the Times of India carried a significant report that seems not to have caught the attention of many. The report titled "UPA's 80:20 gold scheme helped select biz houses" said the Public Accounts Committee (PAC) had indicted the United Progressive Alliance (UPA) government of Manmohan Singh for allowing select business houses to benefit from the 80:20 gold scheme. The scheme was introduced in July 2013 to manage an alarming rise in the current-account deficit (CAD) that caused trade imbalance. The report said select business houses exported plain jewellery without any value addition. What the report, however, failed to say is how the bullion sector turned "innovative" to beat the conditions stipulated in the 80:20 scheme.

| Date | Gold* | Silver* |
|-------------------------|----------|----------|
| 09 Aug 2018 (Thursday) | 29640.00 | 37960.00 |
| 08 Aug 2018 (Wednesday) | 29590.00 | 37650.00 |
| 07 Aug 2018 (Tuesday) | 29680.00 | 37935.00 |

The above rate are IBSA PM rates * Rates are exclusive of GST

09 Aug 2018 (Thursday)

IBJA Daily Market Update



| Market View | | Daily Levels |
|-----------------|----------|-------------------|
| Open | 29640.00 | Resistance |
| High | 29734.00 | 29888.00 |
| Low | 29585.00 | 29811.00 |
| Close | 29668.00 | 29739.00 |
| Value Change | 58.00 | 29590.00 |
| % Change | 0.20 | 29513.00 |
| Margin | 5.00 | 29441.00 |
| Margin (Rs.) | 148340 | Support |
| Volume | 5712.00 | |
| Open Interest | 7949.00 | Spread |
| Cng in OI (%) | -3.30 | DEC - OCT |
| Prev Value(Mln) | 16943.83 | 229.00 |
| 52 Week High | 31963.00 | FEB - DEC |
| 52 Week Low | 29528.00 | 218.00 |

Outlook: Gold prices held steady drawing some support from global political tensions and a slightly weaker dollar against the yen. For the day prices a drop towards 29640-29610 will look to buy with a stoploss of below 29540 expecting prices to jump towards 29780-29850 level.

Gold prices seen supported drawing some support from global political tensions and a slightly weaker dollar against the yen. Investors bet global trade tensions and a robust US economy would continue to support the currency. Better-than-expected data on US initial jobless claims and generally rising producer prices also helped the dollar hold its gains. North Korea on Thursday denounced U.S. calls for enforcing international sanctions despite its goodwill moves and said progress on denuclearization promises could not be expected if Washington followed an “outdated acting script”. Japan’s Economy Minister Toshimitsu Motegi said he had a frank exchange about trade on Thursday with U.S. Trade Representative Robert Lighthizer, while appearing to stick with Tokyo’s position of avoiding a bilateral free-trade agreement. The number of Americans filing for unemployment benefits unexpectedly fell last week, suggesting that a strong economy was helping the labour market weather ongoing trade tensions between the United States and a host of other countries. The U.S. economy is performing “very well” with continued growth clearing the way for one or two more interest rate hikes in 2018, Chicago Federal Reserve Bank President Charles Evans said on Thursday in an interview in which he dismissed earlier worries about weak inflation. US producer prices were unchanged in July for the first time in seven months as a modest increase in the cost of goods was offset by a drop in services, but underlying producer inflation continued to push higher. Technically market is under short covering as market has witnessed drop in open interest by -3.3% to settled at 7949 while prices up 58 rupees, now Gold is getting support at 29590 and below same could see a test of 29513 level, And resistance is now likely to be seen at 29739, a move above could see prices testing 29811.

IBJA Daily Market Update

Gold Spot 995

| Exch. | Descr. | Last* |
|-------|----------------------|----------|
| CMDTY | Gold 995 - Ahmedabad | 30410.00 |
| CMDTY | Gold 995 - Bangalore | 30390.00 |
| CMDTY | Gold 995 - Chennai | 30405.00 |
| CMDTY | Gold 995 - Cochin | 30410.00 |
| CMDTY | Gold 995 - Delhi | 30390.00 |
| CMDTY | Gold 995 - Hyderabad | 30400.00 |
| CMDTY | Gold 995 - Jaipur | 30400.00 |
| CMDTY | Gold 995 - Kolkata | 30425.00 |
| CMDTY | Gold 995 - Mumbai | 30385.00 |

* Rates including GST

Silver Spot 999

| Exch. | Descr. | Last* |
|-------|------------------------|----------|
| CMDTY | Silver 999 - Ahmedabad | 38700.00 |
| CMDTY | Silver 999 - Bangalore | 39075.00 |
| CMDTY | Silver 999 - Chennai | 39080.00 |
| CMDTY | Silver 999 - Delhi | 39075.00 |
| CMDTY | Silver 999 - Hyderabad | 39105.00 |
| CMDTY | Silver 999 - Jaipur | 39110.00 |
| CMDTY | Silver 999 - Kolkata | 39175.00 |
| CMDTY | Silver 999 - Mumbai | 39125.00 |

* Rates including GST

Bullion Futures on DGCX

| Exch. | Descr. | Last |
|-------|-------------------------|----------|
| DGCX | GOLD 26SEP2018 | 1214.80 |
| DGCX | GOLD 28NOV2018 | 1220.80 |
| DGCX | GOLD QUANTO 27SEP2018 | 29678.00 |
| DGCX | GOLD QUANTO 29NOV2018 | 29855.00 |
| DGCX | SILVER 29AUG2018 | 15.53 |
| DGCX | SILVER 28NOV2018 | 15.49 |
| DGCX | SILVER QUANTO 30AUG2018 | 40436.00 |
| DGCX | SILVER QUANTO 29NOV2018 | 41189.00 |

Gold Spot 999

| Exch. | Descr. | Last* |
|-------|----------------------|----------|
| CMDTY | Gold 999 - Ahmedabad | 30540.00 |
| CMDTY | Gold 999 - Bangalore | 30540.00 |
| CMDTY | Gold 999 - Chennai | 30555.00 |
| CMDTY | Gold 999 - Cochin | 30560.00 |
| CMDTY | Gold 999 - Delhi | 30540.00 |
| CMDTY | Gold 999 - Hyderabad | 30550.00 |
| CMDTY | Gold 999 - Jaipur | 30520.00 |
| CMDTY | Gold 999 - Mumbai | 30535.00 |

* Rates including GST

Bullion Futures on MCX

| Exch. | Descr. | Last |
|-------|------------------|----------|
| MCX | GOLD 04AUG2017 | 29668.00 |
| MCX | GOLD 05OCT2017 | 29897.00 |
| MCX | GOLD 05DEC2017 | 30115.00 |
| MCX | SILVER 05JUL2017 | 38127.00 |
| MCX | SILVER 05SEP2017 | 38973.00 |
| MCX | SILVER 05DEC2017 | 39756.00 |

Gold and Silver Fix

| Exch. | Descr. | Last |
|-------|--------------------|---------|
| CMDTY | Gold London AM FIX | 1341.05 |
| CMDTY | Gold London PM FIX | 1341.05 |
| CMDTY | Silver London FIX | 16.45 |

Gold / Silver Ratio

| Exch. | Descr. | Last |
|------------|-----------------------|-------|
| INTL. SPOT | GOLD SILVER RATIO | 78.64 |
| MCX | MCX GOLD SILVER RATIO | 77.81 |

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Report is prepared for information purposes only.

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