



IBJA Market Update

Daily Market Update

Report as on Monday, December 11, 2017

Polled Premium/Discount for 995 gold in Ahmedabad 1.25 USD/troy oz on December 07, 2017

Gold prices hovered above a four-month low and were on track for their biggest weekly fall since May after progress on US tax reform fuelled optimism about the US economy and boosted the dollar. Stronger-than-expected US employment data on Friday also demonstrated healthy economic growth and suggested the Federal Reserve will raise interest rates next week, as expected. In the week ahead investors will be focusing on Wednesday Fed meeting where it is expected to hike rates by a quarter point.

US Mint sales of American Eagle gold and silver bullion coins remained weak in November, amid record high equities. The Mint reported selling 12,000 ounces of American Eagle gold coins last month, down from 15,500 in October. Further, the total last month was down 92% down year-on-year from 147,500 ounces sold in November of 2016. The year-to-date total of 259,500 ounces is down by a whopping 73% from 956,000 in the first 11 months of 2016. US Mint American Eagle silver coin sales were just 385,000 ounces in November, slipping sharply from 1.04 million in October and 3.06 million in November 2016. The year-to-date total of 17.3 million ounces is down from 37.5 million in the first 11 months of 2016 - recording a slide of nearly 54%.

Commodity derivatives trading: How hedge funds can hurt India : Sebi has already allowed the Category III AIFs, including hedge funds, to participate in the commodity derivatives markets. True, such funds need to inform Sebi about the maximum investment made by them in a single underlying commodity, as also cumulative net investments made in all commodity derivatives on a monthly basis. The hedge fund investments in commodity derivatives are also subject to certain conditions, such as the funds should not invest more than 10% of the investible funds in one underlying commodity. Besides, they should make disclosure in private placement memorandum issued to investors about investment in commodity derivatives, and should take consent of the existing investors, if such AIFs intend to invest in such derivatives.

Gold is primarily used for investment or as jewellery. But, what most people do not know is that many products we use in everyday life from smart phones to cars and drugs contain 'gold' inside. According to a recent World Gold Council (WGC) technology report, use of gold in industrial applications, especially in electronics, was over 1,000 tonnes globally in the last four years. But the use of gold in electronics, which peaked at 327 tonnes in 2010, has come down to 256 tonnes in 2016, due to increase in gold prices and substitution with other materials, says the report.

Silver Non-Commercial Speculator Positions - Large speculators sharply decreased their net positions in the Silver futures markets this week, according to the latest Commitment of Traders (COT) data released by the Commodity Futures Trading Commission (CFTC) on Friday. The non-commercial futures contracts of Silver futures, traded by large speculators and hedge funds, totaled a net position of 31,426 contracts in the data reported through Tuesday December 5th. This was a weekly decline of -27,356 contracts from the previous week which had a total of 58,782 net contracts.

Date	Gold*	Silver*
08 Dec 2017 (Friday)	28645.00	36620.00
07 Dec 2017 (Thursday)	28910.00	36870.00
06 Dec 2017 (Wednesday)	29135.00	37305.00

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

08 Dec 2017 (Friday)

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Market View		Daily Levels	
Open	28650.00	Resistance	
High	28650.00	28810.00	
Low	28471.00	28730.00	
Close	28533.00	28631.00	
Value Change	-134.00	28452.00	
% Change	-0.47	28372.00	
Margin	5.00	28273.00	
Margin (Rs.)	142665	Support	
Volume	7466.00		
Open Interest	6560.00	Spread	
Cng in OI (%)	0.80	APR - FEB	
Prev Value(Mln)	21312.53	-25.00	
52 Week High	30690.00	JUN - APR	
52 Week Low	28290.00	-85.00	

Outlook: Gold prices looks to steady with the market prepared to listen closely to the Fed commentary after it reviews rates and in particular language on the impact of expected tax cuts. For the day prices a jump towards 28580-28640 level will look to sell with a stoploss of above 28780 expecting prices to drop towards 28480-28350 level.

Gold prices remained under pressure and ended the week with losses after progress on U.S. tax reform fueled optimism about the U.S. economy and boosted the dollar. Stronger-than-expected U.S. employment data also demonstrated healthy economic growth and suggested the Federal Reserve will raise interest rates next week, as expected. The U.S. Fed is expected to announce a rise in interest rates and offer guidance on the pace of further increases. It has previously forecast three rate hikes in 2018. That is likely to pressure gold prices because rising interest rates push up bond yields, reducing the appeal of non-yielding gold, and tend to boost the dollar. Selling of gold was triggered after it broke below \$1,260, the bottom of its trading range since September, and plunged below its 200-day moving average for the first time since July. US data showed the unemployment rate steadied at 4.1% as expected in November, matching the October reading and holding at the lowest rate since December 2000. US average hourly earnings rose 0.2% in November, missing expectations of a 0.3% rise, while improving from October's 0.1% dip, revised from no-change. Finally, the US economy added 228 thousand new jobs in November, beating expectations of 198 thousand, and compared to October's 244K, revised from 261K. Imports by retailers are estimated to rise 1.5 percent in December, indicating that companies are expecting strong sales through the holiday season. Technically now Gold is getting support at 1243.20 and below same could see a test of 1236.40 level, And resistance is now likely to be seen at 1254.60, a move above could see prices testing 1260.00.

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Gold Spot 995

Exch.	Descr.	Last*
CMDTY	Gold 995 - Ahemdabad	29390.00
CMDTY	Gold 995 - Bangalore	29370.00
CMDTY	Gold 995 - Chennai	29370.00
CMDTY	Gold 995 - Cochin	29405.00
CMDTY	Gold 995 - Delhi	29360.00
CMDTY	Gold 995 - Hyderabad	29390.00
CMDTY	Gold 995 - Jaipur	29350.00
CMDTY	Gold 995 - Kolkata	29440.00
CMDTY	Gold 995 - Mumbai	29410.00

* Rates including GST

Silver Spot 999

Exch.	Descr.	Last*
CMDTY	Silver 999 - Ahemdabad	37600.00
CMDTY	Silver 999 - Bangalore	37710.00
CMDTY	Silver 999 - Chennai	37765.00
CMDTY	Silver 999 - Delhi	37715.00
CMDTY	Silver 999 - Hyderabad	37790.00
CMDTY	Silver 999 - Jaipur	37730.00
CMDTY	Silver 999 - Kolkata	38000.00
CMDTY	Silver 999 - Mumbai	37700.00

* Rates including GST

Bullion Futures on DGCX

Exch.	Descr.	Last
DGCX	GOLD 29JAN2018	1250.40
DGCX	GOLD 27MAR2018	1254.00
DGCX	GOLD QUANTO 30JAN2018	28542.00
DGCX	GOLD QUANTO 28MAR2018	28830.00
DGCX	SILVER 26FEB2018	15.82
DGCX	SILVER 26APR2018	15.74
DGCX	SILVER QUANTO 27FEB2018	36127.00
DGCX	SILVER QUANTO 27APR2018	36637.00

Gold Spot 999

Exch.	Descr.	Last*
CMDTY	Gold 999 - Ahemdabad	29520.00
CMDTY	Gold 999 - Bangalore	29520.00
CMDTY	Gold 999 - Chennai	29520.00
CMDTY	Gold 999 - Cochin	29555.00
CMDTY	Gold 999 - Delhi	29510.00
CMDTY	Gold 999 - Hyderabad	29540.00
CMDTY	Gold 999 - Jaipur	29500.00
CMDTY	Gold 999 - Mumbai	29560.00

* Rates including GST

Bullion Futures on MCX

Exch.	Descr.	Last
MCX	GOLD 04AUG2017	28533.00
MCX	GOLD 05OCT2017	28508.00
MCX	GOLD 05DEC2017	28423.00
MCX	SILVER 05JUL2017	37055.00
MCX	SILVER 05SEP2017	37557.00
MCX	SILVER 05DEC2017	38099.00

Gold and Silver Fix

Exch.	Descr.	Last
CMDTY	Gold London AM FIX	1245.85
CMDTY	Gold London PM FIX	1250.65
CMDTY	Silver London FIX	15.82

Gold / Silver Ratio

Exch.	Descr.	Last
INTL. SPOT	GOLD SILVER RATIO	78.80
MCX	MCX GOLD SILVER RATIO	77.00

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