



IBJA Market Update

Daily Market Update

Report as on Friday, October 13, 2017

Polled Premium/Discount for 995 gold in Ahmedabad -0.50 USD/troy oz on October 12, 2017

Gold prices settled higher on Thursday gained \$7.60 to settle at \$1,296.50 an ounce but still below the key \$1300 level but at the highest in more than two weeks, as investors read minutes from the Federal Reserve's September policy meetings as slightly dovish, offering a lift to the commodity. An account of the most recent meeting of the FOMC, released after gold futures settled Wednesday, showed signs that policy makers questioned the need for an interest-rate hike in Dec though one appears likely—as levels of inflation continued to track below the central bank's 2% annual target.

IMF caution on economy potentially bullish for Gold - IMF caution about the global economy is potentially gold bullish, said British bank HSBC. IMF report stating that while global financial stability has improved, there are risks ahead for the global economy. Analysts also cited that the IMF view that easy monetary and financial conditions against a backdrop of sluggish inflation is elevating medium-term risks, with risks rotating from banks to financial markets. The IMF essentially cautioned that policymakers need to ensure that growing financial vulnerabilities are contained while monetary policy remains supportive of the recovery.

Chinese SGE gold demand UP in September - Seemingly contrary to some other media reports, Chinese gold demand, as measured by Shanghai Gold Exchange (SGE) gold withdrawals is picking up, not falling. In September withdrawals were 25% higher than in 2016, although again well below those recorded in the record 2015 year. Withdrawals year to date are also 7% higher than a year ago suggesting a full year total of over 2,100 tonnes assuming the rate of increase is sustained over the final quarter of the year.

Central banks hedging against geopolitical risk with gold - Central banks around the world are adding to their gold stashes, particularly in emerging markets, as they try to shore up their currencies amid rising geopolitical tensions and, in some cases, to stave off U.S. economic pressure. The total amount of central bank holdings of gold has risen by about 7% over the five years to 2016, according to the World Gold Council, a global trade group. Last year, central banks were net buyers of gold, for the seventh year in a row, according to Thomson Reuters GFMS. As of the end of July, they held some 33,400 tons of gold reserves in all.

Jewellers expect 20 to 30% increase in sales this Diwali - Jewellers are expecting a 20% -30% increase in sales this Diwali as the market sentiment has become positive after government decided to do away with KYC requirement for cash purchase of gold of Rs 50000. Jewellers are expecting an increase in demand for both gold and diamond jewellery this Dhanteras. It is also the onset of the wedding season, so there will be a good demand for small and big-ticket items. The announcement of PMLA act's withdrawal is a big relief and the timing is right.

Date	Gold*	Silver*
12 Oct 2017 (Thursday)	29945.00	39940.00
11 Oct 2017 (Wednesday)	29845.00	39850.00
10 Oct 2017 (Tuesday)	29910.00	39805.00

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

12 Oct 2017 (Thursday)

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Market View		Daily Levels
Open	29775.00	Resistance
High	29900.00	30096.00
Low	29710.00	29998.00
Close	29814.00	29906.00
Value Change	107.00	29716.00
% Change	0.36	29618.00
Margin	5.00	29526.00
Margin (Rs.)	149070	Support
Volume	6812.00	
Open Interest	7107.00	Spread
Cng in OI (%)	-0.29	FEB - DEC
Prev Value(Mln)	20319.72	80.00
52 Week High	30629.00	APR - FEB
52 Week Low	27953.00	76.00

Outlook: Gold prices trading in range as investors wait for key U.S. inflation data for clues on the outlook for potential hikes in U.S. interest rates. For the day, prices a drop above 29750 will look to buy with stop loss below 29600 expecting the prices to jump towards 29860-29980 level.

Gold on MCX settled up 0.36% at 29814 climbed in yesterday's session as support seen after minutes from the Fed's last meeting, released Wednesday night, suggested divided opinions on whether to raise interest rates again this year. The FOMC Meeting Minutes being released during the Wednesday session should continue to drive this market overall. Ultimately, the market should continue to see a lot of influence coming from the US dollar, and that being said, the market will react to what the Fed is going to do. If they become more hawkish, then that will work against precious metals overall. On the other hand, if the Federal Reserve looks dovish, and catches the market somewhat off guard, the market should continue to go to the upside. Gold prices have been pressured this year by strong economic data and higher interest rates. The precious metal pays its holders nothing and struggles to compete with yield-bearing assets when borrowing costs rise. Also data from CME Group showed that 86.7% of traders are betting that the Fed will raise interest rates by December. Meanwhile the persistence of geopolitical risk was also driving investors to the gold safe haven. There are reports out of Russia that North Korea is testing long-range missiles, which can reach the US mainland has raised the alarm. Now investors were looking ahead for further news from the IMF central bankers' conference. Also looking out for further comments from FOMC members, U.S. producer-price index data, and Chinese monetary supply numbers, all due out by the end of the week. Technically now Gold is getting support at 29716 and below same could see a test of 29618 level, And resistance is now likely to be seen at 29906, a move above could see prices testing 29998.

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Gold Spot 995

Exch.	Descr.	Last*
CMDTY	Gold 995 - Ahemdabad	30670.00
CMDTY	Gold 995 - Bangalore	30630.00
CMDTY	Gold 995 - Chennai	30650.00
CMDTY	Gold 995 - Cochin	30670.00
CMDTY	Gold 995 - Delhi	30650.00
CMDTY	Gold 995 - Hyderabad	30630.00
CMDTY	Gold 995 - Jaipur	30655.00
CMDTY	Gold 995 - Kolkata	30750.00
CMDTY	Gold 995 - Mumbai	30645.00

* Rates including GST

Silver Spot 999

Exch.	Descr.	Last*
CMDTY	Silver 999 - Ahemdabad	40950.00
CMDTY	Silver 999 - Bangalore	40970.00
CMDTY	Silver 999 - Chennai	41025.00
CMDTY	Silver 999 - Delhi	41025.00
CMDTY	Silver 999 - Hyderabad	41080.00
CMDTY	Silver 999 - Jaipur	41080.00
CMDTY	Silver 999 - Kolkata	41300.00
CMDTY	Silver 999 - Mumbai	41150.00

* Rates including GST

Bullion Futures on DGCX

Exch.	Descr.	Last
DGCX	GOLD 28NOV2017	1298.10
DGCX	GOLD 29JAN2018	1302.40
DGCX	GOLD QUANTO 29NOV2017	29846.00
DGCX	GOLD QUANTO 30JAN2018	29963.00
DGCX	SILVER 28NOV2017	17.26
DGCX	SILVER 26FEB2018	17.29
DGCX	SILVER QUANTO 29NOV2017	40247.00
DGCX	SILVER QUANTO 27FEB2018	40756.00

Gold Spot 999

Exch.	Descr.	Last*
CMDTY	Gold 999 - Ahemdabad	30800.00
CMDTY	Gold 999 - Bangalore	30780.00
CMDTY	Gold 999 - Chennai	30800.00
CMDTY	Gold 999 - Cochin	30820.00
CMDTY	Gold 999 - Delhi	30800.00
CMDTY	Gold 999 - Hyderabad	30780.00
CMDTY	Gold 999 - Jaipur	30765.00
CMDTY	Gold 999 - Mumbai	30795.00

* Rates including GST

Bullion Futures on MCX

Exch.	Descr.	Last
MCX	GOLD 04AUG2017	29814.00
MCX	GOLD 05OCT2017	29894.00
MCX	GOLD 05DEC2017	29970.00
MCX	SILVER 05JUL2017	40352.00
MCX	SILVER 05SEP2017	40861.00
MCX	SILVER 05DEC2017	41200.00

Gold and Silver Fix

Exch.	Descr.	Last
CMDTY	Gold London AM FIX	1294.45
CMDTY	Gold London PM FIX	1290.25
CMDTY	Silver London FIX	17.20

Gold / Silver Ratio

Exch.	Descr.	Last
INTL. SPOT	GOLD SILVER RATIO	75.19
MCX	MCX GOLD SILVER RATIO	73.88

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