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**Daily Market Update** **Report as on Wednesday, November 14, 2018**

# Gold prices steadied as the U.S. dollar retreated from a 16-month high touched earlier in week, easing amid a surge in the euro and sterling on a draft Brexit agreement. U.S. inflation expectations were unchanged in October from a month ago, even while Americans expected to spend and earn more. U.S. President Donald Trump's top economic adviser said that the United States welcomed the resumption of talks with China on trade.

# Demand for physical gold gathered steam during a key festival week, shrugging off a recent downtrend going into the traditional busy wedding season, while other major Asian hubs saw limited activity. India, the second biggest bullion consumer after China, celebrated the Dhanteras and Diwali festivals this week, when buying gold is considered auspicious. The price rise gave confidence to consumers that gold will provide better returns than other asset classes in coming years and prompted them to increase purchases. Dealers in India were offering discounts of up to \$3 an ounce, the lowest in six weeks, over official domestic prices compared with the \$7 discounts last week. Physical demand in China slowed a little as some wholesalers had already restocked their inventories in the last two weeks.

# The latest figures for Shanghai Gold Exchange (SGE) monthly gold withdrawals are in (for October) and they show a marginal downturn from those for the same month a year earlier. But then October can be an anomalous month given the week long Golden Week holiday at the beginning of the month during which time the SGE is closed for business so perhaps not too much should be read into the latest data. Withdrawals for the year to date are still marginally up on a year earlier, so we will have to wait for November's figures (usually a strong month) to see if there is any specific trend downwards yet.

# South Africa's mining production for September decreased 1.8% year-on-year, Statistics South Africa announced on Thursday, with gold production falling by a fifth. Gold production for September 2018 was down 19% when compared to September 2017. This contributed -3.1 percentage points to SA's overall production decrease of -1.8%. Gold sales, meanwhile, fell by half. The SA gold sector has been experiencing a tough year. In mid-October Stats SA announced that year-on-year gold production for August had fallen by 15.5%. Production fell by 15% year-on-year on July. The largest positive contributor to mining production for September was in the Platinum Group Metals, which increased by 7.2% over September 2017.

# Demonetisation was a fundamental corrective without which the Indian economy would have collapsed by now just like subprime crisis in the US, said right-wing ideologue Swaminathan Gurumurthy. Throwing light on the state of economy between 2004-2010, Gurumurthy, who is currently serving as a part-time director of RBI, tweeted: ".....The growth driven by asst price rise led consumption fueled by withdrawal of capital gains tax was a mirage. Continuation of it would have been disastrous. DM was an inevitable purgative." While stocks climbed 32%, gold 38%, land 21%, GDP 5.4%, inflation 4.5% and jobs 60 million, CAD over \$20 billion in 1999-2004, the stocks rose 338%, gold 332%, and land 300 to 2100%, GDP 9.8%, prices 6.8%, jobs just 1.7 million, CAD \$360 billion between 2004-2014, he tweeted.

Date	Gold*	Silver*
<b>13 Nov 2018 (Tuesday)</b>	31050.00	36545.00
<b>12 Nov 2018 (Monday)</b>	31345.00	36950.00
<b>09 Nov 2018 (Friday)</b>	31431.00	37205.00

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

# IBJA Daily Market Update



**Outlook:** Gold dropped as concerns over Italy's budget and ongoing Brexit talks, along with expectations for further U.S. rate hikes, held the dollar near 16-month highs. For the day prices a jump towards 30820-30860 will look to sell with a stoploss of above 30980 expecting prices to drop towards 30680-30540 level.

## MCX GOLD

Market View		Daily Levels
Open	30909.00	<b>Resistance</b>
High	30919.00	31043.00
Low	30751.00	30981.00
Close	30769.00	30875.00
Value Change	-232.00	30707.00
% Change	-0.75	30645.00
Margin	5.00	30539.00
Margin (Rs.)	153845	<b>Support</b>
Volume	7163.00	
Open Interest	9328.00	<b>Spread</b>
Cng in OI (%)	-2.80	<b>FEB - DEC</b>
Prev Value(Mln)	22079.69	277.00
52 Week High	32311.00	<b>APR - FEB</b>
52 Week Low	29500.00	378.00

Gold on MCX settled down -0.75% at 30769 as concerns over Italy's budget and ongoing Brexit talks, along with expectations for further U.S. rate hikes, held the dollar near 16-month highs. Dollar strength has outweighed any positive impact of risk aversion on gold, traditionally also seen as a safe store of value in times of market volatility. The U.S. Federal Reserve reaffirmed its commitment to tightening monetary policy, a move likely to weigh on interest in non-yielding bullion. Euro zone policymakers have discussed using the bloc's bailout fund, or European Stability Mechanism (ESM), to prevent financial tension in Italy from spreading to other indebted countries, the European Central Bank's chief economist said. "There is one discussion which is at the political level about precautionary measures we could take if there would be spillovers to (other) countries," Peter Praet told. Investors also had their attention turned to U.S.-Sino trade tensions and political uncertainties in Europe amid fears of a no-deal Brexit, and a standoff between Rome and the European Union over Italy's budget. There are hopes of a de-escalation in the Sino-U.S. tariff war rose on a report that China's top trade negotiator was preparing to visit the United States ahead of a meeting between the two countries' leaders. Holdings at SPDR Gold Trust, the world's largest gold-backed exchange-traded fund, rose 0.90 percent to 762.00 tonnes on Monday. Technically market is under long liquidation as market has witnessed drop in open interest by -2.8% to settled at 9328 while prices down -232 rupees, now Gold is getting support at 30707 and below same could see a test of 30645 level, And resistance is now likely to be seen at 30875, a move above could see prices testing 30981.

# IBJA Daily Market Update



INT. GOLD\$		
Market View		Daily Levels
Open	1200.43	<b>Resistance</b>
High	1204.77	1214.08
Low	1196.39	1209.42
Close	1201.97	1205.70
Value Change	1.71	1197.32
% Change	0.00	1192.66
		1188.94
		<b>Support</b>

Outlook: Gold price finds difficulty to break the correctional bullish channel's support line, and it might test 1208.40 level before resuming the negative attempts. In general, we will continue to suggest the bearish trend as long as the price is below 1208.40 and 1223.00 levels, reminding you that our next target is located at 1180.00.

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# IBJA Daily Market Update



Rupee gained tracking sharp fall in crude oil prices amid lower-than-expected inflation prints for October. Rupee found support on selling by foreign banks likely on behalf of exporters as crude oil prices fell. Technically now USDINR is getting support at 72.64 and below same could see a test of 72.45 level, and resistance is now likely to be seen at 72.98, a move above could see prices testing 73.15.

USDINR		
Market View		Daily Levels
Open	72.9500	<b>Resistance</b>
High	72.9575	73.29
Low	72.6100	73.12
Close	72.7550	72.94
Value Change	-0.2525	72.59
% Change	-0.35	72.43
Margin	2.51	72.24
Margin (Rs.)	1826	<b>Support</b>
Volume	1995363	
Open Interest	1732569	<b>Spread</b>
Cng in OI (%)	3.86	<b>DEC - NOV</b>
Prev Value(Mln)	145122.91	0.2525
52 Week High	74.9800	<b>JAN - DEC</b>
52 Week Low	64.7000	0.2250

Rupee gained tracking sharp fall in crude oil prices amid lower-than-expected inflation prints for October. Rupee found support on selling by foreign banks likely on behalf of exporters as crude oil prices fell below \$69 a barrel. Meanwhile, the greenback remained elevated against its major peers on fears of aggressive rate hikes by the Federal Reserve going ahead and safe-haven bets on lingering concerns about the outlook for global economic growth. Adding to this, the meeting between the Reserve Bank of India Governor Urjit Patel and Prime Minister Narendra Modi to lower tensions between the government and the central bank also supported bonds. India's retail inflation rate dropped sharply in October, giving the central bank leeway to allow easier lending policies, but plunging farm prices sent a stark warning to Prime Minister Narendra Modi about the challenges he faces in rural areas in next year's general election. The rate, which includes food and energy prices, dropped in October to 3.31 percent on a year-on-year basis, the slowest pace in 13 months and remains below the Reserve Bank of India's (RBI) medium-term target of 4 percent for a third straight month. The September inflation rate was a revised 3.70 percent. Inflation risks have ebbed after a fall in global crude oil prices by about 20 percent since early October to around \$71 a barrel. The rupee has also stabilised after a slide of more than 14 percent in the first 10 months of this year, which has made it the worst performing Asian currency in 2018. Technically now USDINR is getting support at 72.6425 and below same could see a test of 72.4525 level, And resistance is now likely to be seen at 72.99, a move above could see prices testing 73.1475.

# IBJA Daily Market Update

## Gold Spot 995

Exch.	Descr.	Last*
CMDTY	Gold 995 - Ahmedabad	31870.00
CMDTY	Gold 995 - Bangalore	31810.00
CMDTY	Gold 995 - Chennai	31840.00
CMDTY	Gold 995 - Cochin	31850.00
CMDTY	Gold 995 - Delhi	31845.00
CMDTY	Gold 995 - Hyderabad	31810.00
CMDTY	Gold 995 - Jaipur	31830.00
CMDTY	Gold 995 - Kolkata	31900.00
CMDTY	Gold 995 - Mumbai	31850.00

\* Rates including GST

## Silver Spot 999

Exch.	Descr.	Last*
CMDTY	Silver 999 - Ahmedabad	37500.00
CMDTY	Silver 999 - Bangalore	37560.00
CMDTY	Silver 999 - Chennai	37610.00
CMDTY	Silver 999 - Delhi	37560.00
CMDTY	Silver 999 - Hyderabad	37645.00
CMDTY	Silver 999 - Jaipur	37570.00
CMDTY	Silver 999 - Kolkata	37800.00
CMDTY	Silver 999 - Mumbai	37650.00

\* Rates including GST

## Bullion Futures on DGCX

Exch.	Descr.	Last
DGCX	GOLD 28NOV2018	1204.80
DGCX	GOLD 29JAN2019	1210.20
DGCX	GOLD QUANTO 29NOV2018	30854.00
DGCX	GOLD QUANTO 30JAN2019	31031.00
DGCX	SILVER 28NOV2018	13.93
DGCX	SILVER 26FEB2019	13.99
DGCX	SILVER QUANTO 29NOV2018	41189.00

## Gold Spot 999

Exch.	Descr.	Last*
CMDTY	Gold 999 - Ahmedabad	32000.00
CMDTY	Gold 999 - Bangalore	31960.00
CMDTY	Gold 999 - Chennai	31990.00
CMDTY	Gold 999 - Cochin	32000.00
CMDTY	Gold 999 - Delhi	31995.00
CMDTY	Gold 999 - Hyderabad	31960.00
CMDTY	Gold 999 - Jaipur	31950.00
CMDTY	Gold 999 - Mumbai	31900.00

\* Rates including GST

## Bullion Futures on MCX

Exch.	Descr.	Last
MCX	GOLD 04AUG2017	30769.00
MCX	GOLD 05OCT2017	31046.00
MCX	GOLD 05DEC2017	31424.00
MCX	SILVER 05JUL2017	36385.00
MCX	SILVER 05SEP2017	37257.00
MCX	SILVER 05DEC2017	38075.00

## 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	85.76
MCX	MCX GOLD SILVER RATIO	84.57

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