



## Daily Market Update

**Report as on Tuesday, October 16, 2018**

# Gold prices rose to settled above 32000 level mark as the dollar weakened against major currencies and equities stayed sluggish amid rising concerns about trade war. Investors were seeking the safe haven yellow metal amid a growing feud between the U.S. and Saudi Arabia over the disappearance of a prominent Saudi journalist. According to reports, U.S. President Donald Trump has warned of "severe punishment" if Saudi Arabia was behind the disappearance of its dissident journalist Jamal Khashoggi who was reportedly killed inside the Kingdom's consulate in Istanbul. Riyadh said it would retaliate if there were any sanctions by the US. Jamal Khashoggi, a prominent critic of Riyadh and a U.S. resident, disappeared early this month after visiting the Saudi consulate in Istanbul.

# Domestic price of gold may rise up to 3% by diwali as rupee weakens - The domestic price of gold is expected to rise by up to 3.15 per cent by Diwali due to weakness in the rupee and a rise in the international price of the metal. According to industry executives, gold has some safe haven appeal in the backdrop of a battered bond market, volatility in the equity market and a crisis in the NBFC sector, and could emerge as an asset class this festive season. "Right now, there is no asset class in the market which can give good returns. The equity market has witnessed a bloodbath. The same is with the bond market. Even the NBFC sector is in crisis. In this scenario, gold can give some return. Internationally, prices have started moving up, which is an indication that gold is becoming a safe haven," said Surendra Mehta, national secretary, IBJA.

# Gold Speculators Continued To Boost Bets Deeper Into Bearish Territory - Large precious metals speculators continued to raise their bearish net positions in the Gold futures markets again this week, according to the latest COT data released by the CFTC on Friday. The non-commercial futures contracts of Gold futures, traded by large speculators and hedge funds, totaled a net position of -38,175 contracts in the data reported through Tuesday October 9th. This was a weekly decline of -16,353 contracts from the previous week which had a total of -21,822 net contracts. The bearish speculative position has now increased for four straight weeks and for the fifth time out of the past six weeks. The current standing is now at the most bearish level since April 17th of 2001 when the net position totaled -45,569 contracts.

# High prices deter buyers ahead of India festival season - Physical gold demand in India was subdued this week as a rally in domestic prices curbed retail purchases going into a key festival season, while buying remained lacklustre in other major Asian hubs. In the Indian market, gold futures this week touched their highest since July 2016 at 32,014 rupees per 10 grams. Dealers in India offered a discount of up to \$6 an ounce over official domestic prices this week, down from last week's \$6.50, which was the highest since mid-June. The domestic price includes a 10 percent import tax. Demand usually strengthens toward the end of the year as the traditional wedding season kicks in and as the country celebrates major festivals including Diwali and Dussehra, when buying gold is considered auspicious.

# India's gold imports in September dropped more than 14 percent - India's gold imports in September dropped more than 14 percent from a year earlier as demand was dented by a rally in local prices because of a depreciating rupee, according to provisional data from precious metals consultant GFMS. Neighbouring Bangladesh, which approved its first gold trade policy last week, should register a boost in exports of ornaments because the policy proposes several incentives for increasing jewellery exports, including tax benefits, said Cabinet Secretary Shafiqul Alam. Meanwhile, global benchmark spot gold prices were on track to register their best week in seven as tumbling global stock markets sent investors rushing to the safe-haven asset.

Date	Gold*	Silver*
15 Oct 2018 (Monday)	32050.00	38695.00
12 Oct 2018 (Friday)	31710.00	38325.00
11 Oct 2018 (Thursday)	31475.00	37985.00

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

15 Oct 2018 (Monday)

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Outlook: Gold prices gained as risk averse investors sought a safe haven amid rising political tensions and economic uncertainty. For the day prices a drop towards 32000-31960 will look to buy with a stoploss of below 3160 expecting prices to jump towards 32180-32350 level.

## MCX GOLD

Market View		Daily Levels	
Open	31900.00	<b>Resistance</b>	
High	32311.00	32787.00	
Low	31831.00	32549.00	
Close	32066.00	32307.00	
Value Change	220.00	31827.00	
% Change	0.69	31589.00	
Margin	5.00	31347.00	
Margin (Rs.)	160330	<b>Support</b>	
Volume	12862.00	364.01	
Open Interest	14150.00	284.31	
Cng in OI (%)	0.59	<b>Spread</b>	
Prev Value(Mln)	41335.88	<b>FEB - DEC</b>	
52 Week High	32311.00	<b>APR - FEB</b>	
52 Week Low	29500.00	230.00	

Gold rose as a slide in global stock markets, exacerbated by mounting tensions between Western powers and Saudi Arabia, forced investors to find safety and unwind some bearish bets in the metal. U.S. retail sales barely rose in September as a rebound in motor vehicle purchases was offset by the biggest drop in spending at restaurants and bars in nearly two years. The European Central Bank will end its bond-buying programme in less than three months, with a low likelihood of an extension despite a cocktail of political and trade concerns. China will soon host a huge trade fair to highlight its commitment to free trade and show off its willingness to import, but sceptical foreign businesses and diplomats say they want to see concrete policy changes to improve market access. The Italian cabinet on Monday signed off on an expansionary 2019 budget, boosting welfare spending, cutting the retirement age and hiking the deficit to set up a showdown with authorities in Brussels over compliance with EU rules. Poland raised its gold holdings to the highest in at least 35 years, data from the International Monetary Fund showed on Monday. Holdings in SPDR Gold Trust, the world's largest gold-backed exchange-traded fund, rose 0.55 percent to 748.76 tonnes on Monday. Holdings of SPDR Gold, the largest gold-backed ETF, rose nearly 2 percent last week. That was the biggest weekly inflow since January, following declines of more than 4 million ounces since hitting a peak in late April. Technically market is under fresh buying as market has witnessed gain in open interest by 0.59% to settled at 14150, now Gold is getting support at 31827 and below same could see a test of 31589 level, And resistance is now likely to be seen at 32307, a move above could see prices testing 32549.

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INT. GOLD\$		
Market View	Daily Levels	
Open	1217.69	<b>Resistance</b>
High	1232.71	1249.36
Low	1217.36	1241.04
Close	1226.99	1234.01
Value Change	9.25	1218.66
% Change	0.01	1210.34
		1203.31
		<b>Support</b>

Outlook: Gold price shows some bearish bias after testing 1230.00 barrier, waiting to get enough positive momentum to push the price to continue the rise that targets visiting 1238.31 level as a next main station, as the bullish trend scenario still valid as long as the price is above 1208.40, noting that the EMA50 keeps supporting the suggested bullish wave.

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Indian rupee fell below the 74 level compared to the dollar for a brief period as Brent crude oil price inched toward the \$82 per barrel mark again on rising tensions between oil-rich Saudi Arabia and the US after dissident scribe Jamal Khashoggi was feared killed at the kingdom's consulate in Turkey. USDINR is getting support at 73.79 and below same could see a test of 73.6275 level, And resistance is now likely to be seen at 74.1625, a move above could see prices testing 74.3725.

USDINR		
Market View		Daily Levels
Open	73.8375	Resistance
High	74.2100	74.52
Low	73.8375	74.36
Close	73.9225	74.14
Value Change	0.2225	73.77
% Change	0.30	73.62
Margin	2.51	73.40
Margin (Rs.)	1855	Support
Volume	2248752	
Open Interest	3251618	Spread
Cng in OI (%)	0.31	NOV - OCT
Prev Value(Mln)	166518.00	0.2900
52 Week High	74.6875	DEC - NOV
52 Week Low	64.6000	0.2800

Rupee dropped as crude oil prices rise amid geopolitical tensions over the disappearance of a prominent Saudi journalist. Indian Prime Minister Narendra Modi urged global oil suppliers to review payment terms in order to give relief to the country which is struggling with a weakening currency. Modi was speaking to oil ministers and chief executives of oil majors at a round table in New Delhi, a government statement said. "He requested for review of payment terms so as to provide temporary relief to the local currency," the statement quoted him as saying. India's retail inflation rose marginally in September, nudged up by food and fuel prices, but short of the Reserve Bank of India's 4 percent medium-term target, strengthening views it could tighten monetary policy in December following unchanged rates last week. The monetary policy committee (MPC) of the RBI left the repo rate at 6.50 percent while reiterating its target of keeping consumer inflation at 4.00 percent in the medium term on a "durable basis". In September, consumer prices rose 3.77 percent from a year earlier, compared with a 3.69 percent increase in August, the Statistics Ministry said. Slower inflation in food prices, which make up nearly half of India's consumer price index (CPI), has so far cancelled out rises in imported goods following the weakening rupee. Technically market is under fresh buying as market has witnessed gain in open interest by 1.26% to settled at 3282555, now USDINR is getting support at 73.79 and below same could see a test of 73.6275 level, And resistance is now likely to be seen at 74.1625, a move above could see prices testing 74.3725.

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## Gold Spot 995

Exch.	Descr.	Last*
CMDTY	Gold 995 - Ahmedabad	32810.00
CMDTY	Gold 995 - Bangalore	32810.00
CMDTY	Gold 995 - Chennai	32835.00
CMDTY	Gold 995 - Cochin	32835.00
CMDTY	Gold 995 - Delhi	32825.00
CMDTY	Gold 995 - Hyderabad	32800.00
CMDTY	Gold 995 - Jaipur	32845.00
CMDTY	Gold 995 - Kolkata	32850.00
CMDTY	Gold 995 - Mumbai	32860.00

\* Rates including GST

## Silver Spot 999

Exch.	Descr.	Last*
CMDTY	Silver 999 - Ahmedabad	39600.00
CMDTY	Silver 999 - Bangalore	39735.00
CMDTY	Silver 999 - Chennai	39730.00
CMDTY	Silver 999 - Delhi	39710.00
CMDTY	Silver 999 - Hyderabad	39810.00
CMDTY	Silver 999 - Jaipur	39740.00
CMDTY	Silver 999 - Kolkata	39950.00
CMDTY	Silver 999 - Mumbai	39860.00

\* Rates including GST

## Bullion Futures on DGCX

Exch.	Descr.	Last
DGCX	GOLD 28NOV2018	1228.90
DGCX	GOLD 29JAN2019	1194.50
DGCX	GOLD QUANTO 29NOV2018	32077.00
DGCX	GOLD QUANTO 30JAN2019	32254.00
DGCX	SILVER 28NOV2018	14.73
DGCX	SILVER 26FEB2019	14.76
DGCX	SILVER QUANTO 29NOV2018	41189.00

## Gold Spot 999

Exch.	Descr.	Last*
CMDTY	Gold 999 - Ahmedabad	32940.00
CMDTY	Gold 999 - Bangalore	32960.00
CMDTY	Gold 999 - Chennai	32985.00
CMDTY	Gold 999 - Cochin	32985.00
CMDTY	Gold 999 - Delhi	32975.00
CMDTY	Gold 999 - Hyderabad	32950.00
CMDTY	Gold 999 - Jaipur	32965.00
CMDTY	Gold 999 - Mumbai	33010.00

\* Rates including GST

## Bullion Futures on MCX

Exch.	Descr.	Last
MCX	GOLD 04AUG2017	32066.00
MCX	GOLD 05OCT2017	32308.00
MCX	GOLD 05DEC2017	32538.00
MCX	SILVER 05JUL2017	39153.00
MCX	SILVER 05SEP2017	39926.00
MCX	SILVER 05DEC2017	40432.00

## 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	83.61
MCX	MCX GOLD SILVER RATIO	81.90

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