



Daily Bullion Physical Market Report

Report as on Wednesday, July 17, 2019

	Important Resistance for MCX Gold Where Physical Player can look to fix his Sell Price	34956 35012	Important Support for MCX Gold Where Physical Player can look to fix his Buying Price	34668 34612
	Important Resistance for Rupee Where Exporter can look to book his today's receivable	68.84 68.99	Important Support for Rupee Where Importer can look to book his today's payment	68.56 68.41

Gold Spot 995			Gold Spot 999		
Exch.	Descr.	LTP*	Exch.	Descr.	LTP*
CMDTY	Gold 995 - Ahmedabad	35600.00	CMDTY	Gold 999 - Ahmedabad	35730
CMDTY	Gold 995 - Bangalore	35640.00	CMDTY	Gold 999 - Bangalore	35790
CMDTY	Gold 995 - Chennai	35670.00	CMDTY	Gold 999 - Chennai	35820
CMDTY	Gold 995 - Cochin	35675.00	CMDTY	Gold 999 - Cochin	35825
CMDTY	Gold 995 - Delhi	35680.00	CMDTY	Gold 999 - Delhi	35830
CMDTY	Gold 995 - Hyderabad	35630.00	CMDTY	Gold 999 - Hyderabad	35780
CMDTY	Gold 995 - Jaipur	35625.00	CMDTY	Gold 999 - Jaipur	35745
CMDTY	Gold 995 - Mumbai	35615.00	CMDTY	Gold 999 - Mumbai	35765

* Rates including GST

Silver Spot 999	
Descr.	LTP*
Silver 999 - Ahmedabad	39650.00
Silver 999 - Bangalore	39650.00
Silver 999 - Chennai	39650.00
Silver 999 - Delhi	39845.00
Silver 999 - Hyderabad	39680.00
Silver 999 - Jaipur	39675.00
Silver 999 - Kolkata	39825.00
Silver 999 - Mumbai	39630.00

* Rates including GST

Gold Ratios
Gold Silver Ratio
88.43

Gold Crude Ratio
8.77

Bullion Futures on DGCX		
Exch.	Descr.	LTP
DGCX	GOLD 29JUL2019	1406.00
DGCX	GOLD QUANTO 30JUL2019	34912.00
DGCX	SILVER 28AUG2019	14.99

Gold and Silver Fix	
Descr.	LTP
Gold London AM FIX	1334.3
Gold London PM FIX	1340.65
Silver London FIX	15.31

Date	Gold*	Silver*
16 Jul 2019 (Tuesday)	34691.00	38280.00
15 Jul 2019 (Monday)	34729.00	38135.00
12 Jul 2019 (Friday)	34555.00	37830.00

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

16 Jul 2019 (Tuesday)

Gold Market Update



Market View	
Open	34883.00
High	34946.00
Low	34710.00
Close	34812.00
Value Change	-70.00
% Change	-0.20
Oct-Aug	395.00
Dec-Oct	266.00
Volume	20539
Open Interest	16258
Cng in OI (%)	-2.66

SELL GOLD AUG 2019 @ 34950 SL 35100 TGT 34780-34600.MCX

Today's View & Outlook

Gold price returns to test the key support 1400.30, which urges caution from the upcoming trading, as continuing the negative pressure and breaking this level will put the price within the correctional bearish track again, while the price needs to hold above it to resume the main bullish trend that its next target located at 1438.90.

Gold on MCX settled down -0.2% at 34812 on after better-than-expected U.S. retail sales data lowered expectations of an aggressive interest rate cut by the U.S. Federal Reserve, boosting the dollar. The U.S Commerce Department said retail sales rose 0.4% last month as households stepped up purchases of motor vehicles and a variety of other goods. Optimism about the Federal Reserve announcing a rate cut later this month supported the yellow metal. On the trade front, U.S. Treasury Secretary Steven Mnuchin said he and U.S. Trade Representative Robert Lighthizer would speak with their Chinese counterparts by phone again this week as part of the recently resumed trade talks. Chinese GDP expanded 6.2% year-on-year in the second quarter, slower than the 6.4% growth registered a quarter ago. However, the economy grew 6.3% in the first half of the year, in line with expectations. Meanwhile, June factory output and retail sales figures showed signs of improvement, offering some respite to investors worried about slowing global growth. Annual growth in industrial production advanced more-than-expected to 6.3% from 5% in May, showing the fastest growth in three months. In U.S. economic news, a report released by the Federal Reserve Bank of New York showed that regional manufacturing activity rebounded in the month of July after having contracted unexpected a month earlier. The New York Fed said its general business conditions index climbed to 4.3 in July from a negative 8.6 in June, with a positive reading indicating growth in regional manufacturing activity. Technically now Gold is getting support at 34700 and below same could see a test of 34587 levels, and resistance is now likely to be seen at 34936, a move above could see prices testing 35059.

Silver Market Update



Market View	
Open	38620.00
High	39466.00
Low	38563.00
Close	39326.00
Value Change	701.00
% Change	1.81
Dec-Sep	701.00
Mar-Dec	701.00
Volume	35043
Open Interest	17495
Cng in OI (%)	-3.10

SELL SILVER SEP 2019 @ 39500 SL 39800 TGT 39150-38800.MCX

Today's View & Outlook

Silver price resumes its positive trading on its way to head towards our next positive target at 15.62, to keep the bullish trend valid and active for the rest of the day, supported by the EMA50 that carries the price from below, reminding you that it is important to hold above 15.23 to continue the expected rise. The expected trading range for today is between 15.20 support and 15.50 resistance.

Silver on MCX settled up 1.81% at 39326 amid lingering concerns about the outlook for the global economy due to the ongoing U.S.-China trade dispute. U.S. Secretary of State Mike Pompeo claimed that "for the first time" on Tuesday Iranian officials "are ready to negotiate on their missile program" after President Donald Trump apparently told a cabinet meeting that his administration had made progress with Tehran and did not wish war or regime change there. Trump, meanwhile, said the United States has a long way to go to conclude a trade deal with China, but could impose tariffs on an additional \$325 billion worth of Chinese goods if needed. Policymakers at the European Central Bank agreed that they needed to be ready to ease the policy stance further, as uncertainties were likely to continue in the coming months, the minutes of the June 5-6 rate-setting session in Vilnius, Lithuania, showed. Empire State manufacturing numbers and other positive industrial production and retail sales data out of China. The New York Fed said that its Empire State manufacturing index for July came in at 4.3, compared with -8.6 in June. The Federal Reserve is widely expected to cut interest rates at the end of the month for the first time in a decade, lowering the opportunity cost of holding non-yielding bullion. On the Sino-U.S. trade front, Treasury Secretary Steven Mnuchin said he and U.S. Trade Representative Robert Lighthizer is likely to go to Beijing for trade discussions following phone calls with Chinese officials this week. Technically now Silver is getting support at 38770 and below same could see a test of 38215 levels, and resistance is now likely to be seen at 39673, a move above could see prices testing 40021.

USDINR Update



Market View	
Open	68.6400
High	68.8400
Low	68.6100
Close	68.8075
Value Change	0.1650
% Change	0.24
Aug-Jul	0.22
Sep-Aug	0.23
Volume	1075484
Open Interest	2037907
Cng in OI (%)	-1.36

BUY USDINR JUL 2019 @ 68.76 SL 68.66 TGT 68.90-69.02. NSE

Today's View & Outlook

Rupee yesterday depreciated by 17 paise to close at 68.71 against the US dollar due to rising crude oil prices and foreign fund outflows. A strengthening US dollar against major currencies overseas also weighed on the rupee sentiment. India's exports declined for the first time in nine months in June hit by trade war between the US and China. Trade deficit slipped to USD 15.28 billion in June from USD 16.6 billion in the year-ago month. While Indian shares rose for the second day running on Tuesday, shrugging off weak trade and business sentiment data as well as a mixed set of corporate earnings results. Now technically now USDINR is getting support at 68.76 and below same could see a test of 68.57 level, and resistance is now likely to be seen at 68.99, a move above could see prices testing 69.03.

Rupee dropped as the impact of likely foreign portfolio inflows into local debt may be offset by suspected intervention by the Reserve Bank of India to curb volatility in the market. Local government bond prices traded higher, taking the 10-year benchmark yield to a fresh multi-month low on Tuesday as expectations of easy policy and better demand continued while lower US Treasury yields acted as a catalyst. India's imports declined to their lowest level in four months in June to \$40.29 billion, down 9% from a year ago, indicating weakening consumption in Asia's third largest economy. The Indian economy grew at 5.8% in the January-March period, a five-year low, hurt by weak consumption and tepid private investment. The latest data added to fears that the economy may have slowed further in April-June. In the last two quarters, the Indian economy has seen a sharp fall in sales of automobiles, petroleum products and consumer goods. India's oil imports during June fell 13.33% to \$11.03 billion, partly due to low oil prices, while gold imports surged 13% to \$2.70 billion. India's dominant services activity contracted for the first time in more than a year in June, dragged down by slowing new business growth which in turn curtailed hiring, a private survey showed. The Nikkei/IHS Markit Services Purchasing Managers' Index fell to 49.6 last month from 50.2 in May. Technically now USDINR is getting support at 68.76 and below same could see a test of 68.57 level, and resistance is now likely to be seen at 68.99, a move above could see prices testing 69.03.

Bullion News

Gold prices edged lower as the dollar gained in strength, buoyed by strong U.S. retail sales data. However, lingering concerns about the outlook for the global economy due to the ongoing U.S.-China trade dispute limited the yellow metal's decline. The dollar index advanced to 97.42 and was last seen at 97.40, up nearly 0.5% from the previous close. Data released by the Commerce Department said retail sales rose by 0.4% in June, matching the downwardly revised increase in May. On the trade front, U.S. President Donald Trump reportedly commented that an agreement with China on trade tariffs had "a long way to go".

Global Gold Demand Projected to Soar - Global gold demand is predicted to get a major fillip with the financial market uncertainty and accommodative US monetary policy fuelling a surge in investment demand for the yellow metal over the next six to 12 months, the World Gold Council (WGC) said. "In particular, central bank policy is likely to play a significant role. Aside from the 247 tonnes of gold purchased directly by central banks through May, market expectation that the US Federal Reserve will cut interest rates two or three times later this year is also a factor," the WGC said. The WGC noted that in the event of an economic downturn, central banks would not be able to reduce interest rates much further (as they are already so low), meaning that more quantitative easing would be required, and possibly other measures that have not been tried before. The WGC said although weak economic growth and the possible impact of higher gold price volatility may result in softer consumer demand this year, especially in emerging markets that make up the lion share of annual demand, broad structural reforms in India and China will likely support long-term gold demand, according to the council. It also expects central bank gold demand to remain positive.

Gold demand to fall by 2.4% in 2019 due to hike in import duty - Increase in import duty on gold is likely to be dampener for the yellow metal. According to World Gold Council's estimates a 2.5% increase to gold's import duty may result in a reduction of gold demand by approximately 2.4% in 2019. The World Gold Council (WGC) said in a report that if the higher levy were to become permanent, it could reduce long-term Indian consumer demand by slightly less than 1% per year. In the Union budget 2019, the finance minister Nirmala Sitharaman proposed to increase customs duty on gold and other precious metals from 10% to 12.5%. According to WGC weaker economic growth and the possible impact of higher gold price volatility may result in softer consumer demand this year, especially in emerging markets that make up the lion's share of annual demand. However, it added that broad structural economic reforms being implemented in both India and China will likely support long-term gold demand.

Gems and jewellery exports plunge 16.3 per cent in June to USD 2.8 billion- Gems & jewellery exports continued to face headwinds with June shipments plunging 16.26 percent due to the renewed bout of US-China trade wars. Exports of gems & jewellery dipped 16.26 percent to USD 2.82 billion in June from USD 3.37 billion in June 2018, according to the data from the Gem & Jewellery Export Promotion Council. The continuing trade wars between the world's two largest economies have subdued Chinese demand, which is the second largest market for the country's cut and polished diamonds, council vice-chairman Colin Shah told PTI. American president Donald Trump has renewed his threats to slap more duties on Chinese imports and the bilateral talks have not made much headway so far, creating more poor sentiment in the market. He added that the issue has also led to slowing demand from the US which otherwise has been steady. "The US-China trade wars have impacted demand for loose diamonds from China. Adding to the crisis were the lingering domestic issues, which was mostly policy-created as high Customs duty, GST, and the liquidity crisis that began with the Nirav Gems, Jewellery exports likely to decline 10-15% - Gems and jewellery exports are likely to decline 10-15 per cent year on year in this financial year owing to choppy global economies, high import duty on gold and diamonds, and liquidity crunch in the sector, said industry executives. There is a lull in demand in overseas as well as domestic markets, said Colin Shah, vice-chairman, Gem & Jewellery Export Promotion Council. "The US-China trade war is affecting global economies and has slowed down offtake of gems and jewellery. In May, exports dwindled 12.08 per cent in dollar terms and the same trend has continued in June as well. The situation is unlikely to improve in the coming months and our estimate is that gems and jewellery exports from India will decline 10-15 per cent in the current fiscal," he said. Shah said that high import duty on gold and diamonds would further affect organized trade. "Smuggling of gold will increase," he said. In the budget for 2019-20, the government announced an increase in import duty on gold to 12.5 percent from 10 per cent. With GST of 3 per cent, the total tax on gold is 15.5 percent. The first three months of the current fiscal saw a 10.32 per cent year-on-year decline in exports to \$9.18 billion. June saw a steeper fall of 16.26 per cent to \$2.826 billion. In 2018-19, India had exported gems and jewellery worth \$30.96 billion. In June, sentiment in diamond market was weak owing to sluggish demand and tightening of manufacturing profits.

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