



IBJA Market Update

Daily Market Update

Report as on Thursday, January 18, 2018

Polled Premium/Discount for 995 gold in Ahmedabad -4.00 USD/troy oz on January 17, 2018.

Gold prices pulled back from 4-month highs - Gold prices pulled back from 4-month highs above \$1340 per ounce again trading lower for non-Dollar investors as the US currency fell once more. The price of gold has risen by 8 percent since mid-December, helped by a weakening of the dollar to a three-year low against a basket of major currencies. But the euro gave up its three-year high against the dollar on Wednesday after comments by European Central Bank officials suggested they may be concerned by the strength of the European single currency.

Domestic demand boosted India's gold imports by 53% in 2017 to 846 tonnes - India's gold imports rose 53 per cent to 846 tonnes last year on strong domestic demand and lower global prices, according to MMTC-PAMP India. The world's second largest gold consumer had imported 550 tonnes of the metal in 2016. "There has been a significant jump in the gold imports in 2017. Imports touched 846 tonnes," MMTC-PAMP India President (Marketing) Vipin Raina told PTI. In December 2017 alone, gold imports rose to 70 tonnes from 49 tonnes in the year-ago period, he said. Raina said a strong festival and wedding season demand coupled with attractive global price situation led to increase in the volume of Gold imports.

Growth will support gold demand- WGC - Synchronised global economic growth, shrinking central bank balance sheets and market efficiency will support demand for gold and maintain its relevance in 2018, the World Gold Council (WGC) said in a report. "As incomes rise, demand for gold jewellery and gold-containing technology rises...Income growth also spurs savings, helping increase demand for gold bars and coins," the report said. Though China's economy may grow at a slower rate, the growth is seen more balanced.

Gold import duty may not be cut - The government may not reduce import duty on gold even as the industry is clamouring for a cut in the upcoming budget, according to bankers and analysts, because trade deficit has been widening due to increasing import of the precious metal as well as crude oil. India's trade deficit touched a three-year high of \$14.88 billion in December 2017. The import bill for oil is increasing and the government needs to earn revenues. The gold trade says that high duty increases entry of gold through the unofficial route. However, there is no official data on how much gold enters the country through the illegal route.

Physical gold needs a level playing field to regain sheen - Gold sales lost its glitter to some extent last year, especially towards the last quarter. Monetary pressure, and regulatory and policy reforms cast a shadow on the metal. The World Gold Council had reported a dip in the global market, because of declining consumption in India and China. Predictions suggest a mixed bag for gold this year. There are indications of a mild recovery, based on triggers like rate hikes in the US, increasing global GDP growth and recovery in India. But experts are voting against a good rally, and ruling out an aggressive sell-off of US dollar which has direct bearing on gold prices in the global market.

Date	Gold*	Silver*
17 Jan 2018 (Wednesday)	30225.00	39220.00
16 Jan 2018 (Tuesday)	30210.00	38890.00
15 Jan 2018 (Monday)	30150.00	39210.00

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

17 Jan 2018 (Wednesday)

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Market View		Daily Levels	
Open	29801.00	Resistance	
High	29829.00	29979.00	
Low	29680.00	29904.00	
Close	29757.00	29830.00	
Value Change	-65.00	29681.00	
% Change	-0.22	29606.00	
Margin	5.00	29532.00	
Margin (Rs.)	148785	Support	
Volume	6266.00	Spread	
Open Interest	5920.00	APR - FEB	
Cng in OI (%)	0.08	JUN - APR	
Prev Value(Mln)	18650.98	-15.00	
52 Week High	30690.00	153.00	
52 Week Low	28055.00		

Outlook: Gold prices extended declines as pressure seen after the U.S. dollar recovered from a 3-year low. For the day prices a jump towards 29820-29840 level will look to sell with a stoploss of above 29950 expecting prices to drop towards 29680-29560 level.

Gold on MCX settled down -0.22% at 29757 pulled back from 4-month highs despite US currency fell once more. The price of gold has risen by 8 percent since mid-December, helped by a weakening of the dollar to a three-year low against a basket of major currencies. But the euro gave up its three-year high against the dollar after comments by ECB officials suggested they may be concerned by the strength of the European single currency. But prices could move higher if Republicans and Democrats in the United States fail to pass a spending bill by Friday to avoid a possible government shutdown. Also a collapse in the value of cryptocurrency bitcoin could also drive demand. Investors who saw bitcoin as an alternative to gold could change their minds now and buy more gold again. Meanwhile recently we have seen a steep drop in the dollar which has been one of the key factors behind gold's recent rally, which has seen prices for the metal rise around 8% from December lows. While Monetary tightening by central banks in Europe and China will likely keep the dollar on the back foot and provide a boost to gold in the months ahead. Also signs that the Federal Reserve may raise rates less aggressively than expected can take prices to \$1380 a troy ounce this year. From here, the spotlight turns to a monetary policy announcement from the Bank of Canada . Traders seem convinced that a rate hike is in store, pricing in its likelihood at close to 90 percent. Technically market is getting support at 29681 and below same could see a test of 29606 level, And resistance is now likely to be seen at 29830, a move above could see prices testing 29904.

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Gold Spot 995

Exch.	Descr.	Last*
CMDTY	Gold 995 - Ahemdabad	31010.00
CMDTY	Gold 995 - Bangalore	30995.00
CMDTY	Gold 995 - Chennai	31005.00
CMDTY	Gold 995 - Cochin	31020.00
CMDTY	Gold 995 - Delhi	31000.00
CMDTY	Gold 995 - Hyderabad	30985.00
CMDTY	Gold 995 - Jaipur	30990.00
CMDTY	Gold 995 - Kolkata	31030.00
CMDTY	Gold 995 - Mumbai	30995.00

* Rates including GST

Silver Spot 999

Exch.	Descr.	Last*
CMDTY	Silver 999 - Ahemdabad	39950.00
CMDTY	Silver 999 - Bangalore	40200.00
CMDTY	Silver 999 - Chennai	40210.00
CMDTY	Silver 999 - Delhi	40200.00
CMDTY	Silver 999 - Hyderabad	40285.00
CMDTY	Silver 999 - Jaipur	40185.00
CMDTY	Silver 999 - Kolkata	40350.00
CMDTY	Silver 999 - Mumbai	40325.00

* Rates including GST

Bullion Futures on DGCX

Exch.	Descr.	Last
DGCX	GOLD 29JAN2018	1325.70
DGCX	GOLD 27MAR2018	1338.30
DGCX	GOLD QUANTO 30JAN2018	29751.00
DGCX	GOLD QUANTO 28MAR2018	30040.00
DGCX	SILVER 26FEB2018	17.05
DGCX	SILVER 26APR2018	17.25
DGCX	SILVER QUANTO 27FEB2018	39492.00
DGCX	SILVER QUANTO 27APR2018	39995.00

Gold Spot 999

Exch.	Descr.	Last*
CMDTY	Gold 999 - Ahemdabad	31140.00
CMDTY	Gold 999 - Bangalore	31145.00
CMDTY	Gold 999 - Chennai	31155.00
CMDTY	Gold 999 - Cochin	31170.00
CMDTY	Gold 999 - Delhi	31150.00
CMDTY	Gold 999 - Hyderabad	31135.00
CMDTY	Gold 999 - Jaipur	31140.00
CMDTY	Gold 999 - Mumbai	31145.00

* Rates including GST

Bullion Futures on MCX

Exch.	Descr.	Last
MCX	GOLD 04AUG2017	29757.00
MCX	GOLD 05OCT2017	29742.00
MCX	GOLD 05DEC2017	29895.00
MCX	SILVER 05JUL2017	39201.00
MCX	SILVER 05SEP2017	39714.00
MCX	SILVER 05DEC2017	40244.00

Gold and Silver Fix

Exch.	Descr.	Last
CMDTY	Gold London AM FIX	1337.35
CMDTY	Gold London PM FIX	1335.65
CMDTY	Silver London FIX	17.21

Gold / Silver Ratio

Exch.	Descr.	Last
INTL. SPOT	GOLD SILVER RATIO	77.96
MCX	MCX GOLD SILVER RATIO	75.91

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