



**INDIA BULLION AND JEWELLERS
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Daily Market Update

Report as on Wednesday, July 18, 2018

Gold prices remained below breakeven Monday amid expectations that higher U.S. interest rates would continue to support an uptick in the dollar, weighing on demand for yellow metal, while soft Chinese left other metals mixed. Forays higher in gold prices intraday were met with selling pressure, despite a subdued start to the week for the greenback, as traders awaited further clues on monetary policy action from Federal Reserve Chairman Jerome Powell. The U.S. dollar index, fell by 0.17% to 94.28, down from a session high of 94.53.

India's Gold Bar Imports Surged 260% in First Quarter of Fiscal 2019 - The recent trade data published by the GJEPC suggests dramatic jump in gold bar imports by the country during the first quarter (Apr-June '18) of the current fiscal. The imports surged higher in June. The inward shipments of gold bars had gone through the roof in May this year. According to GJEPC data, India imported gold bars worth Rs 5,078.12 crores in June this year. The imports recorded huge surge, in comparison with those during the same month a year before. The country's gold bar imports had totaled only Rs 1,621.19 crores in June 2017. In rupee terms, the imports surged higher by 213%. The rise in dollar terms stood at 198% year-on-year.

The value of India's gold imports are declining but that's a good thing - The Indian economy hasn't had an easy go of it of late. The triple shock of higher oil prices, foreign portfolio outflows and a weaker rupee has widened the government's current account deficit, which measures the difference between the value of the goods and services it imports and the value of good and services it exports. However, the government has been granted a timely reprieve in the form of lower gold imports. In the first quarter of 2018-19, India's gold imports declined by 25% to \$8.43 billion, according to data from the Ministry of Commerce. While a part of this is due to lower demand for gold as the rupee has weakened against the dollar, it also reflects a decline in the price of gold.

Traders Exit Gold ETFs as Dollar Leaves Metal 'by the Wayside' - Investors dumped ETF backed by the metal for the eighth straight week, the longest stretch of outflows since January 2014. The exodus comes as appetite for the metal wanes amid a strengthening dollar and solid demand for equities. Gold is on track for a fourth straight monthly loss as solid U.S. economic data and expectations of higher interest rates from the Federal Reserve drive investors into higher-yielding assets. Traders picked the dollar over the non-interest bearing metal as the haven of choice as geopolitical turmoil and a trade dispute between the U.S. and China roiled markets.

European gold ETF holdings climb as political and economic risks grow - Gold ETF holdings have increased by 2.2%, 1.5 moz, in the first half of 2018 to 73 moz, but are down from a peak in May at 75 moz. This follows a rise of 11% (7.4 moz) in 2017. German listed ETFs had the largest gain of 1.7 moz, whereas South Africa was the region with the biggest decline in gold ETFs of 250 koz. Holdings in German listed gold ETFs increased strongly since the ECB reduced its main refinancing rate to zero in 2016, gaining 2.5 moz in 2016, 2.2 moz in 2017 and 1.7 moz in the first half of 2018.

| Date | Gold* | Silver* |
|-----------------------|----------|----------|
| 17 Jul 2018 (Tuesday) | 30205.00 | 38570.00 |
| 16 Jul 2018 (Monday) | 30330.00 | 38810.00 |
| 13 Jul 2018 (Friday) | 30200.00 | 38675.00 |

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

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Outlook: Gold prices seen pressure as the dollar firmed after Federal Reserve Chairman Jerome Powell's U.S. economic outlook reinforced views the central bank is on track to steadily hike interest rates. For the day prices a jump towards 29800-29840 will look to sell with a stoploss of above 29960 expecting prices to drop towards 29680-29500 level.

| Market View | | Daily Levels | |
|-----------------|----------|-------------------|--|
| Open | 30019.00 | Resistance | |
| High | 30087.00 | 30363.00 | |
| Low | 29701.00 | 30225.00 | |
| Close | 29729.00 | 29977.00 | |
| Value Change | -351.00 | 29591.00 | |
| % Change | -1.17 | 29453.00 | |
| Margin | 5.00 | 29205.00 | |
| Margin (Rs.) | 148645 | Support | |
| Volume | 8384.00 | | |
| Open Interest | 7204.00 | Spread | |
| Cng in OI (%) | 5.74 | OCT - AUG | |
| Prev Value(Mln) | 25083.08 | 247.00 | |
| 52 Week High | 31808.00 | DEC - OCT | |
| 52 Week Low | 29435.00 | 446.00 | |

Gold on MCX settled down -1.17% at 29729 as the U.S. dollar strengthened during testimony by U.S. Federal Reserve Chairman Jerome Powell to the U.S. Congress. Powell offered an upbeat view of the U.S. economy in an appearance before the Senate Banking Committee, with markets expecting two more interest rate increases this year amid a continued economic expansion. The Fed's Powell said on Tuesday he sees the United States on course for years more of steady growth, but was challenged in a congressional hearing by senators worried the Trump administration's trade policies were already damaging businesses in their districts. With the U.S. economy firing on all cylinders, the Fed should ease away from monetary policy accommodation and move interest rates up far enough to prevent unwanted inflation but not so fast that a recession ensues, another U.S. central banker said. U.S. industrial production increased in June, boosted by a sharp rebound in manufacturing and further gains in mining output, the latest sign of robust economic growth in the second quarter. The International Monetary Fund warned that escalating trade tensions following U.S. tariff actions threaten to depress medium-term growth prospects. The comments came as China reported slower second quarter growth, though Beijing said that would not affect its 2018 growth target. Demand for gold in top-consumer China has been weak as an ongoing trade dispute with United States has weakened the local currency. Technically market is under fresh selling as market has witnessed gain in open interest by 5.74% to settled at 7204 while prices down -351 rupees, now Gold is getting support at 29591 and below same could see a test of 29453 level, And resistance is now likely to be seen at 29977, a move above could see prices testing 30225.

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Gold Spot 995

| Exch. | Descr. | Last* |
|-------|----------------------|----------|
| CMDTY | Gold 995 - Ahmedabad | 30970.00 |
| CMDTY | Gold 995 - Bangalore | 30965.00 |
| CMDTY | Gold 995 - Chennai | 30980.00 |
| CMDTY | Gold 995 - Cochin | 30985.00 |
| CMDTY | Gold 995 - Delhi | 30975.00 |
| CMDTY | Gold 995 - Hyderabad | 30970.00 |
| CMDTY | Gold 995 - Jaipur | 30975.00 |
| CMDTY | Gold 995 - Kolkata | 31000.00 |
| CMDTY | Gold 995 - Mumbai | 30975.00 |

* Rates including GST

Silver Spot 999

| Exch. | Descr. | Last* |
|-------|------------------------|----------|
| CMDTY | Silver 999 - Ahmedabad | 39350.00 |
| CMDTY | Silver 999 - Bangalore | 39715.00 |
| CMDTY | Silver 999 - Chennai | 39675.00 |
| CMDTY | Silver 999 - Delhi | 39715.00 |
| CMDTY | Silver 999 - Hyderabad | 39800.00 |
| CMDTY | Silver 999 - Jaipur | 39715.00 |
| CMDTY | Silver 999 - Kolkata | 39800.00 |
| CMDTY | Silver 999 - Mumbai | 39750.00 |

* Rates including GST

Bullion Futures on DGCX

| Exch. | Descr. | Last |
|-------|-------------------------|----------|
| DGCX | GOLD 27JUL2018 | 1227.40 |
| DGCX | GOLD 26SEP2018 | 1232.80 |
| DGCX | GOLD QUANTO 30JUL2018 | 29733.00 |
| DGCX | GOLD QUANTO 27SEP2018 | 29957.00 |
| DGCX | SILVER 29AUG2018 | 15.60 |
| DGCX | SILVER 28NOV2018 | 15.63 |
| DGCX | SILVER QUANTO 30AUG2018 | 40436.00 |
| DGCX | SILVER QUANTO 29NOV2018 | 41189.00 |

Gold Spot 999

| Exch. | Descr. | Last* |
|-------|----------------------|----------|
| CMDTY | Gold 999 - Ahmedabad | 31100.00 |
| CMDTY | Gold 999 - Bangalore | 31115.00 |
| CMDTY | Gold 999 - Chennai | 31130.00 |
| CMDTY | Gold 999 - Cochin | 31135.00 |
| CMDTY | Gold 999 - Delhi | 31125.00 |
| CMDTY | Gold 999 - Hyderabad | 31120.00 |
| CMDTY | Gold 999 - Jaipur | 31095.00 |
| CMDTY | Gold 999 - Mumbai | 31125.00 |

* Rates including GST

Bullion Futures on MCX

| Exch. | Descr. | Last |
|-------|------------------|----------|
| MCX | GOLD 04AUG2017 | 29729.00 |
| MCX | GOLD 05OCT2017 | 29976.00 |
| MCX | GOLD 05DEC2017 | 30422.00 |
| MCX | SILVER 05JUL2017 | 38520.00 |
| MCX | SILVER 05SEP2017 | 39395.00 |
| MCX | SILVER 05DEC2017 | 40462.00 |

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 | 78.75 |
| MCX | MCX GOLD SILVER RATIO | 77.18 |

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Report is prepared for information purposes only.

Kedia Stocks & Commodities Research Pvt Ltd.

Mumbai. INDIA. Mobile: 9320096333 / 9619551030 Email: info@kediacommodity.com URL: www.kediaadvisory.com

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