



## IBJA Market Update

### Daily Market Update

Report as on Friday, August 18, 2017

# Polled Premium/Discount for 995 gold in Ahmedabad -5.00 USD/troy oz on August 17, 2017

# GOLD prices rallied towards its resistance level while the US Dollar remained weak after rather dovish hints from Fed officials suggesting that the next rate hike may be further postponed. Gold briefly touched \$1293 per ounce before dropping back to \$1286 failing to reach the resistance level of \$1296.40 and the psychological barrier of \$1300.

# Indian government banned exports of gold jewellery and other products above 22 carats in an attempt to reduce "round-tripping", at which "some exporters were availing of export incentives by claiming export of gold items of above 22 carat purity with some value addition," according to an official of the GJEPC. "This is not possible as India is a net importer of gold and no trader would import above 22 carats gold and export it as it is without value addition. This is not a financially viable business," the GJEPC official added.

# Asian demand for physical gold remains strong, with the anticipated fall in Indian demand after the pre-GST restocking just not materialising to the extent anticipated. Indian and Chinese gold imports pretty well account for 90% of the world's new mined gold supply and if a return to higher demand levels in America starts to be seen this, coupled with the continuing high Asian imports, could be all it needs to drive the gold price onwards and upwards through the \$1,300 level.

# Gold taking another tilt at \$1,300 - Three times in recent months gold has looked to be powering upwards towards the \$1,300 psychological barrier and each time it has been found wanting. Now once again, following what many commentators are referring to as the release of so-described 'dovish' Fed minutes from the August FOMC meeting, gold has again hit the high \$1,293s and seemingly poised for higher levels. With a break above \$1300, Gold could be on its way to a retest of the 2016 high at \$1375.

# Indian gold imports surged to \$13.35 billion during the April-July period, according to the government's Commerce Ministry. July saw the biggest gains, as the yellow metal's imports jumped to \$2.1 billion, doubling last year's monthly data. July was an important month for the country, which rolled out a new 3% nationwide sales tax on gold and gold jewelry on the first of the month. Commerce Ministry's data also shows a significant rise in gold shipments from South Korea.

Date	Gold*	Silver*
17 Aug 2017 (Thursday)	29110.00	39000.00
16 Aug 2017 (Wednesday)	28805.00	38255.00
14 Aug 2017 (Monday)	29020.00	38810.00

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

17 Aug 2017 (Thursday)

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Market View		Daily Levels
Open	29050.00	<b>Resistance</b>
High	29229.00	29415.00
Low	29050.00	29322.00
Close	29151.00	29236.00
Value Change	199.00	29057.00
% Change	0.69	28964.00
Margin	5.00	28878.00
Margin (Rs.)	145755	<b>Support</b>
Volume	9184.00	
Open Interest	6700.00	<b>Spread</b>
Cng in OI (%)	0.98	<b>DEC - OCT</b>
Prev Value(MIn)	26774.92	63.00
52 Week High	29711.00	<b>FEB - DEC</b>
52 Week Low	27780.00	77.00

Outlook: Gold prices look firm today also and prices are getting ready for a breakout above \$1300 an ounce on geopolitical concerns and Trump's controversial remarks. For the day we would look to take long near to 29100 level with the stoploss below 28970 with expectation to move prices towards 29350 level.

Gold on MCX settled up 0.69% at 29151 rose as US stocks tumbled and geopolitical concerns were again on the forefront Dec. Meanwhile, President Trump's controversial remarks threaten to further derail his pro-growth agenda. Gold prices also seen support after the minutes of the Fed's July meeting showed members were concerned about raising interest rates amid a slowdown in inflation, narrowing investor expectations for a third rate hike later this year. The minutes of the Fed's July 25-26 policy meeting, showed some policymakers believed the Fed could afford to stand pat on further rate increases until it is clear the trend of soft inflation is transitory. The somewhat dovish minutes, dampened investor expectations of third rate hike later this year, underpinning a move higher in gold. Yesterday dollar gained as fresh support seen with the Euro unsettled by the ECB minutes which suggested the central bank was concerned over the risks of an overshoot in the Euro, with Jobless claims data remained strong with a decline to 232,000 in the latest week from 240,000 the previous week and there as a strong reading for the Philadelphia Fed manufacturing index, but the dollar was unable to gain any fresh traction. The dollar was also subjected to fresh selling during US trading with rumors that Cohn had resigned from the National Economic Council triggering a fresh slide. Meanwhile demand for gold as a safe haven also resurfaced after South Korea warned North Korea against "crossing a red line" and the United States said it would go ahead with joint military drills despite pressure from China. Technically market is under fresh buying and getting support at 29057 and below same could see a test of 28964 level, and resistance is now likely to be seen at 29236, a move above could see prices testing 29322.

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## Gold Spot 995

Exch.	Descr.	Last*
CMDTY	Gold 995 - Ahemdabad	29910.00
CMDTY	Gold 995 - Bangalore	29875.00
CMDTY	Gold 995 - Chennai	29960.00
CMDTY	Gold 995 - Cochin	29895.00
CMDTY	Gold 995 - Delhi	29870.00
CMDTY	Gold 995 - Hyderabad	29875.00
CMDTY	Gold 995 - Jaipur	29870.00
CMDTY	Gold 995 - Kolkata	29850.00
CMDTY	Gold 995 - Mumbai	29770.00

\* Rates including GST

## Silver Spot 999

Exch.	Descr.	Last*
CMDTY	Silver 999 - Ahemdabad	39900.00
CMDTY	Silver 999 - Bangalore	40115.00
CMDTY	Silver 999 - Chennai	40150.00
CMDTY	Silver 999 - Delhi	40115.00
CMDTY	Silver 999 - Hyderabad	40150.00
CMDTY	Silver 999 - Jaipur	40135.00
CMDTY	Silver 999 - Kolkata	40400.00
CMDTY	Silver 999 - Mumbai	40170.00

\* Rates including GST

## Bullion Futures on DGCX

Exch.	Descr.	Last
DGCX	GOLD 27SEP2017	1289.10
DGCX	GOLD 28NOV2017	1290.30
DGCX	GOLD QUANTO 28SEP2017	29188.00
DGCX	GOLD QUANTO 29NOV2017	29305.00
DGCX	SILVER 29AUG2017	16.97
DGCX	SILVER 28NOV2017	17.06
DGCX	SILVER QUANTO 30AUG2017	39100.00
DGCX	SILVER QUANTO 29NOV2017	39724.00

## Gold Spot 999

Exch.	Descr.	Last*
CMDTY	Gold 999 - Ahemdabad	30035.00
CMDTY	Gold 999 - Bangalore	30025.00
CMDTY	Gold 999 - Chennai	30110.00
CMDTY	Gold 999 - Cochin	30045.00
CMDTY	Gold 999 - Delhi	30020.00
CMDTY	Gold 999 - Hyderabad	30025.00
CMDTY	Gold 999 - Jaipur	29980.00
CMDTY	Gold 999 - Mumbai	29920.00

\* Rates including GST

## Bullion Futures on MCX

Exch.	Descr.	Last
MCX	GOLD 04AUG2017	29151.00
MCX	GOLD 05OCT2017	29214.00
MCX	GOLD 05DEC2017	29291.00
MCX	SILVER 05JUL2017	39098.00
MCX	SILVER 05SEP2017	39722.00
MCX	SILVER 05DEC2017	40317.00

## Gold and Silver Fix

Exch.	Descr.	Last
CMDTY	Gold London AM FIX	1285.90
CMDTY	Gold London PM FIX	1285.15
CMDTY	Silver London FIX	17.02

## Gold / Silver Ratio

Exch.	Descr.	Last
INTL. SPOT	GOLD SILVER RATIO	75.95
MCX	MCX GOLD SILVER RATIO	74.56

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Report is prepared for information purposes only.

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