



Daily Bullion Physical Market Report

Report as on Friday, July 19, 2019

	Important Resistance for MCX Gold Where Physical Player can look to fix his Sell Price	35346 35420	Important Support for MCX Gold Where Physical Player can look to fix his Buying Price	34966 34892
	Important Resistance for Rupee Where Exporter can look to book his today's receivable	68.91 69.08	Important Support for Rupee Where Importer can look to book his today's payment	68.59 68.42

Gold Spot 995			Gold Spot 999		
Exch.	Descr.	LTP*	Exch.	Descr.	LTP*
CMDTY	Gold 995 - Ahmedabad	35845.00	CMDTY	Gold 999 - Ahmedabad	35975
CMDTY	Gold 995 - Bangalore	35850.00	CMDTY	Gold 999 - Bangalore	36000
CMDTY	Gold 995 - Chennai	35890.00	CMDTY	Gold 999 - Chennai	36040
CMDTY	Gold 995 - Cochin	35895.00	CMDTY	Gold 999 - Cochin	36045
CMDTY	Gold 995 - Delhi	35900.00	CMDTY	Gold 999 - Delhi	36050
CMDTY	Gold 995 - Hyderabad	35840.00	CMDTY	Gold 999 - Hyderabad	35990
CMDTY	Gold 995 - Jaipur	35835.00	CMDTY	Gold 999 - Jaipur	35955
CMDTY	Gold 995 - Mumbai	35820.00	CMDTY	Gold 999 - Mumbai	35970

* Rates including GST

Silver Spot 999	
Descr.	LTP*
Silver 999 - Ahmedabad	41375.00
Silver 999 - Bangalore	41420.00
Silver 999 - Chennai	41405.00
Silver 999 - Delhi	41565.00
Silver 999 - Hyderabad	41410.00
Silver 999 - Jaipur	41510.00
Silver 999 - Kolkata	41600.00
Silver 999 - Mumbai	41450.00

* Rates including GST

Gold Ratios
Gold Silver Ratio
85.81

Gold Crude Ratio
9.14

Bullion Futures on DGCX		
Exch.	Descr.	LTP
DGCX	GOLD 29JUL2019	1444.20
DGCX	GOLD QUANTO 30JUL2019	35155.00
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*
17 Jul 2019 (Wednesday)	34591.00	39010.00
16 Jul 2019 (Tuesday)	34750.00	38430.00
15 Jul 2019 (Monday)	34729.00	38135.00

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

17 Jul 2019 (Wednesday)

Gold Market Update



Market View	
Open	35050.00
High	35191.00
Low	34880.00
Close	35156.00
Value Change	66.00
% Change	0.19
Oct-Aug	555.00
Dec-Oct	236.00
Volume	17458
Open Interest	15247
Cng in OI (%)	-6.31

Today's View & Outlook

BUY GOLD AUG 2019 @ 35250 SL 35100 TGT 35450-35600.MCX

Gold price rallied upwards strongly to succeed surpassing 1438.90 level and attempts to hold above it, reinforcing the expectations of continuing the bullish trend on the intraday and short term basis, paving the way to head towards 1500.00 as a next station, noting that closing the daily candlestick above 1438.90 is required to add more confirmation to the continuation of the expected rise.

Gold on MCX settled up 0.19% at 35156 as expectations of a rate cut later this month weighed on the dollar and prompted investors to seek the safe haven commodity. Meanwhile, the Fed is widely expected to lower interest rates by 25 basis points at its policy meeting at the end of the month, with some in the market even betting on a 50 basis point cut. The Fed reported that the U.S. economy continued growing at a "modest" rate in recent weeks, with consumers continuing to spend and a "generally positive" outlook overall even in the face of disruptions caused by the U.S. trade policy. Earlier in the week, U.S. President Donald Trump kept up the pressure on Beijing with a threat to put tariffs on another \$325 billion of Chinese goods. The Federal Reserve Chairman Jerome Powell told a dinner audience at the Bank of France in Paris the central bank is "carefully monitoring" downside risks to U.S. growth and "will act as appropriate to sustain the expansion." Hopes about a steep cut in interest rate faded on Tuesday after data showed a bigger than expected increase in retail sales in June and factory output too rose more than expected in the month. A report from the Commerce Department said housing starts slid by 0.9% to an annual rate of 1.253 million in June after slipping by 0.4% to a revised rate of 1.265 million in May. Technically market is under short covering as market has witnessed drop in open interest by -6.31% to settled at 15247 while prices up 66 rupees, now Gold is getting support at 34961 and below same could see a test of 34765 levels, and resistance is now likely to be seen at 35272, a move above could see prices testing 35387.

Silver Market Update



Market View	
Open	40386.00
High	40790.00
Low	40237.00
Close	40738.00
Value Change	562.00
% Change	1.40
Dec-Sep	727.00
Mar-Dec	535.00
Volume	33731
Open Interest	18236
Cng in OI (%)	2.26

Today's View & Outlook

BUY SILVER SEP 2019 @ 40800 SL 40500 TGT 41350-41600.MCX

Silver price keeps its stability above 16.00 level, to keep the bullish trend valid and active for today, as we are waiting to extend the bullish wave towards 16.50 that represents our next main target, noting that breaking 16.00 and trading below it again might press on the price to test 15.62 areas before any new attempt to rise. The expected trading range for today is between 15.95 support and 16.35 resistance.

Silver on MCX settled up 1.4% at 40738 after the IMF said the U.S. currency is overvalued by 6-12% based on near-term economic fundamentals. Meanwhile, San Francisco Fed President Mary Daly indicated that she was still uncertain over whether it was the time to cut interest rates at the end of the month. In the Fed's last meeting in June, the central bank said it would act "as appropriate" to sustain the economy. However, data this month showed the U.S. economy may be too strong to justify a rate cut, as consumer spending is stronger-than-expected while unemployment is near a 50-year low. Despite the strong data, concerns surrounding the Sino-U.S. trade development remained as U.S. President Donald Trump said this week that it is still a long way to go before Washington and Beijing could make a trade deal, while threatening to impose more tariffs on Chinese goods. "The jury is still out in my mind about whether or not the headwinds will be so sufficient to knock the U.S. economy off of its trend pace of growth," Daly said. Construction of new houses in the US fell slightly in June and permits sank to the lowest in two years, suggesting that a sluggish US housing market has failed to gain much momentum from lower mortgage rates. Housing starts slipped 0.9% in June to an annual pace of 1.25 million last months, the government said. Permits to build more homes slipped 6.1% to a 1.22 million pace. Technically market is under fresh buying as market has witnessed gain in open interest by 2.26% to settled at 18236, now Silver is getting support at 40386 and below same could see a test of 40035 levels, and resistance is now likely to be seen at 40939, a move above could see prices testing 41141.

USDINR Update



Market View		
Open		68.8675
High		69.0700
Low		68.7875
Close		69.0050
Value Change		0.0875
% Change		0.13
Aug-Jul		0.22
Sep-Aug		0.23
Volume		1487024
Open Interest		1594260
Cng in OI (%)		-8.09

BUY USDINR JUL 2019 @ 68.78 SL 68.66 TGT 68.92-69.04. NSE

Today's View & Outlook

Rupee dropped as dollar gained on buying by nationalised banks likely on behalf of oil importers. The International Monetary Fund (IMF) said the greenback was overvalued by 6% to 12%, based on near-term economic fundamentals. Technically now USDINR is getting support at 68.93 and below same could see a test of 68.7175 level, and resistance is now likely to be seen at 69.2125, a move above could see prices testing 69.2825.

Rupee dropped as dollar gained on buying by nationalised banks likely on behalf of oil importers. The greenback weakened against its major counterparts weighed down by lower US yields following a weak US housing market data and a rebound in the pound. The International Monetary Fund (IMF) said the greenback was overvalued by 6% to 12%, based on near-term economic fundamentals. The Fed is widely expected to lower interest rates by 25 basis points at its July 30-31 monetary policy meeting, with few expecting a larger 50 bps cut. India's consumer goods industry is losing steam as spending in the country's rural heartland cools and small manufacturers lose competitive advantages in a slowing economy. Volume growth in India's fast-moving consumer goods (FMCG) sector slowed to 6.2% in the three months to June from 9.9% in the previous quarter. In Jan-March, India's economy grew at its slowest pace in more than four years, while retail inflation hit an eight-month high in June on higher food prices. 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, sliding below the 50-mark threshold that separates contraction from growth after remaining in expansion territory for the previous 12 months. Technically now USDINR is getting support at 68.93 and below same could see a test of 68.7175 level, and resistance is now likely to be seen at 69.2125, a move above could see prices testing 69.2825.

Bullion News

Gold prices moved higher on Thursday, extending gains from previous session, as the dollar weakened further amid growing optimism about an interest rate cut later this month. Gold prices eased early on in the session, but surged higher as the day progressed, as rising concerns over global slowdown and uncertainty about the progress in U.S.-China trade negotiations prompted investors to seek the safe haven asset. The dollar index dropped to a low of 96.92, losing 0.33%, after initially edging up from previous close of 97.22. Data released by the Labor Department showed first-time claims for U.S. unemployment benefits increased in line with economist estimates in the week ended July 13th.

Likely fall in gold imports a positive for trade deficit - India's gold imports may decline up to 10 per cent year on year in 2019, bringing some relief to the government on current account deficit (CAD), said experts. India's CAD widened to \$57.2 billion, or 2.1 per cent of GDP, in 2018-19 from 1.8 per cent a year ago. India imports around 800 tonnes of gold annually. In June, gold imports increased 12.6 per cent from a year ago to \$2.69 billion amid a jump in global prices to six-year highs. However, imports were 44 per cent lower than \$4.78 billion in the previous month.

Jewellery exports in June decline 16% YoY on slow demand from China, Gulf - Gem and jewellery exports declined 16.26 per cent to \$2,826 million during June from \$3,375.17 million during the same month last year. Exports during the first quarter of FY20 declined by 10.38 per cent to \$9.18 billion from \$10.25 billion during the same period last year. Experts say that the trend seen in first quarter is likely to continue and the value of overseas shipments may decline by 10-15 per cent for the full year. The reasons are many for the dismal scene. Colin Shah, Vice-Chairman of the Gems and Jewellery Export Promotion Council (GJEPC) says, "Despite stable market conditions in the US and Europe, subdued demand from China and the Gulf impacted overall exports." Cut and polished diamonds were a major laggard, with exports dipping by 19.38 per cent to \$1.68 billion this June, from \$2.08 billion a year ago. In the first quarter this fiscal, the exports fell 17.33 per cent to \$5.20 billion. India gets orders for further processing of already cut and polished diamonds, which is now becoming unviable due to high import duty.

China hikes gold holdings for seventh month in a row - Poland has more than doubled gold assets, Russia is also buying. Central banks are going after gold in 2019, boosting holdings as economic growth slows, trade and geopolitical tensions rise, and some authorities seek to diversify their reserves away from the dollar. The Peoples Bank of China said on Monday it raised reserves for a seventh month in June, adding 10.3 tonnes, following the inflow of almost 74 tonnes in the six months through May. Last week, Poland said it more than doubled its gold assets over this year and last, becoming the top holder in central Europe. Aside from its attempt to diversify its holdings of dollars, owning more gold reserves is also an important strategy in China's rise as a superpower, Howie Lee, an economist at Oversea-Chinese Banking Corp. in Singapore, said in an email. Additions are likely to continue in coming months, according to Lee.

London's gold market is more liquid than bonds - LBMA - London's gold market is much more liquid than government or corporate bonds, the London Bullion Market Association (LBMA) said, presenting new figures which it said meant gold should not be subject to tough new liquidity rules. The rules, due to go into force in the European Union in 2021, treat physically traded gold and other precious metals like any other commodity and require banks to hold more assets to match their exposure as a buffer against adverse price moves. The LBMA has lobbied for precious metals to be exempt, arguing the regulation is unnecessary and would disrupt London's bullion clearing system, which settles gold transactions worth around \$25 billion a day. To persuade the EBA of the need for an exemption, the LBMA calculated the liquidity of London's precious metals market and compared this with the EBA's ratings of assets including government and corporate bonds, which it considers highly liquid.

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