



**Daily Bullion Physical Market Report**

Report as on Thursday, September 19, 2019

	<b>Important Resistance for MCX Gold Where Physical Player can look to fix his Sell Price</b>	<b>37990</b>	<b>Important Support for MCX Gold Where Physical Player can look to fix his Buying Price</b>	<b>37708</b>
		<b>38045</b>		<b>37653</b>
	<b>Important Resistance for Rupee Where Exporter can look to book his today's receivable</b>	<b>71.56</b>	<b>Important Support for Rupee Where Importer can look to book his today's payment</b>	<b>71.14</b>
		<b>71.77</b>		<b>70.93</b>

Gold Spot 995			Gold Spot 999		
Exch.	Descr.	LTP*	Exch.	Descr.	LTP*
CMDTY	Gold 995 - Ahmedabad	38730.00	CMDTY	Gold 999 - Ahmedabad	38860
CMDTY	Gold 995 - Bangalore	38740.00	CMDTY	Gold 999 - Bangalore	38890
CMDTY	Gold 995 - Chennai	38760.00	CMDTY	Gold 999 - Chennai	38910
CMDTY	Gold 995 - Cochin	38765.00	CMDTY	Gold 999 - Cochin	38915
CMDTY	Gold 995 - Delhi	38590.00	CMDTY	Gold 999 - Delhi	38740
CMDTY	Gold 995 - Hyderabad	38730.00	CMDTY	Gold 999 - Hyderabad	38880
CMDTY	Gold 995 - Jaipur	38650.00	CMDTY	Gold 999 - Jaipur	38770
CMDTY	Gold 995 - Mumbai	38635.00	CMDTY	Gold 999 - Mumbai	38785

\* Rates including GST

Silver Spot 999	
Descr.	LTP*
Silver 999 - Ahmedabad	47250.00
Silver 999 - Bangalore	47250.00
Silver 999 - Chennai	47220.00
Silver 999 - Delhi	47150.00
Silver 999 - Hyderabad	47315.00
Silver 999 - Jaipur	47230.00
Silver 999 - Kolkata	47775.00
Silver 999 - Mumbai	47140.00

\* Rates including GST

Gold Ratios
Gold Silver Ratio
81.36

Gold Crude Ratio
9.06

Bullion Futures on DGCX		
Exch.	Descr.	LTP
DGCX	GOLD 26SEP2019	1495.40
DGCX	GOLD QUANTO 27SEP2019	37855.00
DGCX	SILVER 26NOV2019	17.68

Gold and Silver Fix	
Descr.	LTP
Gold London AM FIX	1502.2
Gold London PM FIX	1503.5
Silver London FIX	17.63

Date	Gold*	Silver*
<b>18 Sep 2019 (Wednesday)</b>	37736.00	45825.00
<b>17 Sep 2019 (Tuesday)</b>	37969.00	46100.00
<b>16 Sep 2019 (Monday)</b>	37936.00	46065.00

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

18 Sep 2019 (Wednesday)

Gold Market Update



Market View	
Open	37946.00
High	37965.00
Low	37734.00
Close	37849.00
Value Change	-167.00
% Change	-0.44
Dec-Oct	742.00
Feb-Dec	424.00
Volume	13055
Open Interest	9947
Cng in OI (%)	-3.63

SELL GOLD OCT 2019 @ 37950 SL 38100 TGT 37780-37620.MCX

Today's View & Outlook

Gold price trades with strong negativity now to attack 1485.00 level, which urges caution from the upcoming trading, as closing the daily candlestick below this level will stop the recently suggested positive scenario and presses on the price to turn to decline, while the price needs to hold above it to continue the bullish trend that its next target located at 1524.00. The expected trading range for today is between 1485.00 support and 1525.00 resistance.

Gold on MCX settled down -0.44% at 37849 as investors awaited news on the U.S. central bank's stance on monetary policy, while some easing of the oil market's woes dented demand for safe-haven bullion. Dented safe-haven appeal for gold. Saudi Arabia sought to reassure markets after the attack halved its crude oil output, saying full production would be restored by the month's end. U.S. President Donald Trump has indicated the U.S. is prepared to respond militarily but has stopped short of definitively blaming Iran for the attacks. On the U.S. economic front, the Fed released a report showing industrial production rebounded by much more than anticipated in the month of August. The report said industrial production climbed by 0.6% in August after edging down by a revised 0.1% in August. A separate report from the National Association of Home Builders showed an unexpected improvement in U.S. homebuilder confidence in the month of September. Deputy trade negotiators for the United States and China will meet in Washington beginning, a spokesman for the U.S. Trade Representative's office said. That meeting will be followed by a meeting of U.S. Trade Representative Robert Lighthizer and U.S. Treasury Secretary Steven Mnuchin with China's top negotiator, Vice Premier Liu He, in early October. The mood among German investors improved more than expected in September, a survey showed, but the ZEW institute warned that the outlook for Europe's largest economy remained negative amid trade disputes and Brexit uncertainty. Technically market is under long liquidation as market has witnessed drop in open interest by -3.63% to settled at 9947 while prices down -167 rupees, now Gold is getting support at 37733 and below same could see a test of 37618 levels, and resistance is now likely to be seen at 37964, a move above could see prices testing 38080.

Silver Market Update



Market View	
Open	47037.00
High	47154.00
Low	46274.00
Close	46592.00
Value Change	-769.00
% Change	-1.62
Mar-Dec	1132.00
May-Mar	758.00
Volume	20242
Open Interest	9810
Cng in OI (%)	7.30

SELL SILVER DEC 2019 @ 46800 SL 47100 TGT 46400-46100.MCX

Today's View & Outlook

Silver price shows negative trading now to approach from 17.60 level now, waiting for breaking this level to confirm the extension of the bearish wave towards 16.95 level, we keep preferring the bearish trend for the rest of the day, conditioned by holding below 18.40 level. The expected trading range for today is between 17.60 support and 18.10 resistance.

Silver on MCX settled down -1.62% at 46592 as investors await the Federal Reserve's decision on interest rates. U.S. President Donald Trump and his administration may formally announce a trade deal with Japan next week, White House adviser Larry Kudlow said. Meanwhile, Trump told reporters that Washington could reach a trade deal with China before the U.S. presidential election. The president said that China would prefer to deal with someone else, but warned that terms of the deal will be "far worse" if it came after the 2020 election. The Fed meeting will kick off a busy round of policy decisions from other central banks, including the Bank of Japan, Swiss National bank and the Bank of England, which will all deliver decisions on Thursday. Markets are also closely monitoring the developments on the global trade front. Deputy-level talks between the US and China are scheduled to start in Washington on Thursday, the US Trade Representative's office said, paving the way for high-level talks in October. US manufacturing output increased more than expected in August, boosted by a surge in machinery and primary metals production, but the outlook for factories remains weak against the backdrop of trade tensions and slowing global economies. The Federal Reserve said manufacturing production rose 0.6% last month after an unrevised 0.4% drop in July. Technically market is under fresh selling as market has witnessed gain in open interest by 7.3% to settled at 9810 while prices down -769 rupees, now Silver is getting support at 46192 and below same could see a test of 45793 levels, and resistance is now likely to be seen at 47072, a move above could see prices testing 47553.

USDINR Update



Market View	
Open	71.5975
High	71.6450
Low	71.2375
Close	71.3325
Value Change	-0.5875
% Change	-0.82
Oct-Sep	0.28
Nov-Oct	0.23
Volume	2065442
Open Interest	2775577
Cng in OI (%)	-6.50

SELL USDINR SEP 2019 @ 71.50 SL 71.65 TGT 71.32-71.20. NSE

Today's View & Outlook

Rupee gained tracking weakness in dollar amid easing crude oil prices and Fed policy. The U.S. central bank, on a 7-3 vote, lowered the Fed funds target rate to a range of 1.75% to 2.00% "in light of the implications of global developments for the economic outlook." Technically market is under long liquidation as market has witnessed drop in open interest by -5.68% to settled at 2799964 while prices down -0.6 rupees, now USDINR is getting support at 71.155 and below same could see a test of 70.9925 level, and resistance is now likely to be seen at 71.5625, a move above could see prices testing 71.8075.

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## Bullion News

# Gold futures settled modestly higher on Wednesday, extending gains to a third successive session. However, prices edged lower after the Federal Reserve cut interest rate by 25 basis points. A fairly steady dollar limited gold's uptick. The dollar index, which was trading marginally above the flat line for much of the session till the Fed announced its rate decision, rose notably higher after that, advancing to 98.69. The Federal Reserve cut rates by 25 basis points as widely expected, lowering the target range for the federal funds rate to 1-3/4 to 2%. The Fed attributed the cut to the implications of global developments for the economic outlook as well as muted inflation pressures. The much anticipated accompanying statement was largely unchanged from July, with the Fed reiterating that the labor market remains strong and that economic activity has been rising at a moderate rate.

# Oil price jump highlights gold's lower volatility- Gold: the most effective commodity investment, we looked at how gold is under-represented in the commodity indices investors often use to gain exposure. This can have unintended consequences on portfolio performance, especially when other commodities – such as oil – can have significantly different characteristics than gold. The drone attack in Saudi Arabia on 14th September highlighted this. The event resulted in approximately 5% of global oil supply being taken offline. In response, global oil prices initially spiked by 20% before partially falling back. A major reason for this reaction is that the global supply of oil is concentrated. Looking at data from the US Energy Information Administration, the top 10 oil producing nations accounted for 70% of global oil production in 2018. (Saudi Arabia – the world's second largest producer – accounted for 12%.) What's more, half of the list are situated in the Middle East region. Global gold production, on the other hand, is more geographically diverse. The top 10 producing nations only account for 60% of the global total, with no single producer accounting for more than 12%. And the concentration risk is far lower as gold is mined on every continent except Antarctica. This diversity in mine production helps to create a more stable supply chain, less susceptible to supply shocks. This, in turn, helps to reduce price volatility. Gold has a significantly lower annualized volatility

# India hopes to tap \$1-billion of jewellery export opportunity to US- India's gems and jewellery sector hopes to tap a \$1-billion export opportunity arising out of an ongoing trade war between the United States (US) and China. The opportunity came India's way after the US levied a 10 per cent import duty on import of gems and jewellery from China, taking the tariff to 20.5 per cent. A few months ago, the US imposed a 5.5 per cent tariff on import of jewellery from India which still leaves the country with a 15 per cent advantage over China. China exports around \$2 billion worth of gems and jewellery to the US. But, in the absence of policy support from the government, industry has failed to grab the export market share that competing countries like Thailand and Vietnam have succeeded in. "Given that Thailand and Vietnam have already started grabbing the opportunity emerged after the US-China trade war, we are looking at a \$1-billion opportunity for India while the remaining will go to other South East Asian countries," said Colin Shah, vice-chairman, Gems and Jewellery Export Promotion Council (GJEPC), India's premier jewellery export promotion body under the Ministry

# GOLD: World Gold Council launches responsible gold mining principles- The principles provide a framework setting out clear expectations for consumers, investors and the downstream gold supply chain. The principles address key environmental, social and governance issues for the gold sector. The WGC expects the principles to be widely recognized and through which gold miners will provide confidence that their gold has been produced responsibly. The WGC's efforts recognize and consolidate existing standards and instruments under a single framework. Newmont Goldcorp CEO Gary Goldberg, who oversaw this initiative on behalf of the board of the WGC, said, "Given the [WGC] members' sustained focus on improving environmental, social and governance performance, the formalization of the Responsible Gold Mining Principles is a natural evolution of our daily working practices. It is my hope that these principles will be widely adopted, not only by member companies, but by the industry more broadly."

# Banks forced to import gold when available at a 2% discount locally - The more than a dozen banks nominated for importing gold are being forced to buy the metal from abroad for lending it to jewellers at a time when it can be purchased at a discount from the domestic market. In the Mumbai market, gold is trading at a discount of over 2 per cent compared to the international price or cost of import. However, banks are not allowed to buy gold in India because of restrictions put by the Banking Regulations Act. They can only sell or import gold on behalf of users and traders after permission from the Reserve Bank of India (RBI). In Mumbai's Zaveri Bazar, standard gold was trading at around Rs 37,500 per 10 grams on Friday, Rs 1,000 lower than the cost of import. Discount per ounce comes to over \$40 and that is the price banks are paying for not being allowed to source gold from domestic refineries. Discount varies in various cities but it is over 2 per cent. Jewellers and traders directly buy gold from the local market whether it is imported or sold by domestic gold refineries. MMTC PAMPS is the only LBMA-accredited refinery in India which sells the yellow metal that matches standards of imported gold. However, "banks cannot buy from either of these.

Report is prepared for information purposes only.

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