



## IBJA Market Update

### Daily Market Update

Report as on Tuesday, March 20, 2018

# Polled Premium/Discount for 995 gold in Ahmedabad 0.50 USD/troy oz on March 19, 2018.

# Gold futures climbed Monday to recoup losses from the previous session, as a leading dollar index weakened and benchmark U.S. stock indexes dropped—boosting investor interest in the precious metal. Traders are caution ahead of the meeting which will conclude Wednesday with what's widely expected to be another crank higher for a key interest rate. Less certain are any signals from the central bank panel for how quickly it may continue with policy tightening this year.the as the market has already priced in the anticipated rate increase.

# Absence of GST refund mechanism hits gold demand from tourists, NRIs - Foreign tourists and NRIs visiting India are not investing in gold jewellery like before as there is no mechanism to refund the GST on their purchase which they are otherwise entitled to claim, bullion traders and jewellers said. The IGST Act of 2017 allows a foreign national or an NRI, who enters India for a stay of less than six months, to claim GST refund when he leaves India. Gold jewellery attracts 3% GST. Surendra Mehta, national secretary at IBJA, concurred. "As the refund is not happening, NRIs and foreign citizens are reluctant to buy traditional jewellery in India, which is directly affecting the jewellers," he said.

# World Gold Council expects that the demand in 2018 to be in the range of 700-800 tonnes - India's 5-year demand for gold averaged at around 800 tonnes per annum, the demand in 2017 was estimated at 727 tonnes. The World Gold Council expects that the demand in 2018 to be in the range of 700-800 tonnes. While it is lower than the five year average, it has not come down significantly and there is a still a strong demand for physical gold, despite the launch of scheme such as the SGB and GMS.

# Drop in diamond demand, more so in unorganised market on purity concerns. - ASSOCHAM - The alleged PNB fraud involving diamantaire Nirav Modi seems to have shaken confidence of the diamond jewellery buyers, especially from the unorganised jewellers, on concerns of the purity of the precious jewellery, resulting in drop in business in the trade, according to an ASSOCHAM survey. While the well-known branded jewellery makers issue certificates of purity, bulk of the trade is still concentrated in the unorganised market, based on mutual faith between consumers and jewellers.

# Investors eye currencies for those most at risk in a trade war - Foreign exchange markets appear convinced that a global trade war is unlikely to break out anytime soon, although with long bets on some currencies at record highs, investors fear complacency may be setting in. While the Trump administration's threat to slap tariffs on Chinese imports has heightened fears of retaliation from Beijing, it has only mildly rattled markets enjoying a multi-year rally as global economic growth picks up. The finance ministers of the 20 big world powers meet for a key G20 summit on Monday.

Date	Gold*	Silver*
19 Mar 2018 (Monday)	30340.00	37940.00
16 Mar 2018 (Friday)	30460.00	38275.00
15 Mar 2018 (Thursday)	30475.00	38330.00

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

19 Mar 2018 (Monday)

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Market View		Daily Levels
Open	30180.00	<b>Resistance</b>
High	30439.00	30883.00
Low	30095.00	30661.00
Close	30418.00	30539.00
Value Change	194.00	30195.00
% Change	0.64	29973.00
Margin	5.00	29851.00
Margin (Rs.)	152090	<b>Support</b>
Volume	9868.00	<b>Spread</b>
Open Interest	5487.00	<b>JUN - APR</b>
Cng in OI (%)	2.10	<b>AUG - JUN</b>
Prev Value(Mln)	29863.64	197.00
52 Week High	30839.00	30539.00
52 Week Low	28074.00	-78.00

Outlook: Gold prices looks to see some pressure with focus shifting to the U.S. Federal Reserve which is expected to hike interest rates and signal three more increases this year at a two-day meeting. For the day prices a jump towards 30480-30520 level will look to sell with a stoploss of above 30650 expecting prices to drop towards 30380-30150 level.

Gold has managed to recover early lost ground to over two-week lows to settled with the gain by 0.64% at 30418 but currently placed at the top end of its daily trading range. A fresh wave of US Dollar weakness, led by an upsurge in the British Pound and the shared currency, was seen as one of the key factors underpinning demand for dollar-denominated commodities - like gold. Adding to this, deteriorating investors' appetite for riskier assets, as depicted by a sea of red across global equity markets, provided an additional boost to the precious metal's safe-haven appeal and collaborated to the recovery move. Despite supporting factors, the rebound lacked any strong conviction and was being capped by expectations for the upcoming Fed rate hike move. Apart from the FOMC decision, the central bank's updated economic projections, along with the new 'dot plot' would help determine the next leg of a directional move for the non-yielding yellow metal. However, the recent worries over a potential global trade war might continue to dent investors' confidence and help limit sharp near-term downfall for the commodity, at least for the time being. In the week ahead, the G20 meeting in Argentina and the threat of trade wars will be in focus ahead of the Fed announcement on Wednesday. Heightened geopolitical tensions as well as uncertainty over what recent White House personnel changes could mean for policy could be supportive for gold because some investors favor the precious metal in times of market instability. Technically now Gold is getting support at 30195 and below same could see a test of 29973 level, And resistance is now likely to be seen at 30539, a move above could see prices testing 30661.

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## Gold Spot 995

Exch.	Descr.	Last*
CMDTY	Gold 995 - Ahemdabad	31120.00
CMDTY	Gold 995 - Bangalore	31105.00
CMDTY	Gold 995 - Chennai	31120.00
CMDTY	Gold 995 - Cochin	31115.00
CMDTY	Gold 995 - Delhi	31105.00
CMDTY	Gold 995 - Hyderabad	31100.00
CMDTY	Gold 995 - Jaipur	31110.00
CMDTY	Gold 995 - Kolkata	31140.00
CMDTY	Gold 995 - Mumbai	31105.00

\* Rates including GST

## Silver Spot 999

Exch.	Descr.	Last*
CMDTY	Silver 999 - Ahemdabad	38900.00
CMDTY	Silver 999 - Bangalore	39060.00
CMDTY	Silver 999 - Chennai	39065.00
CMDTY	Silver 999 - Delhi	39055.00
CMDTY	Silver 999 - Hyderabad	39080.00
CMDTY	Silver 999 - Jaipur	39050.00
CMDTY	Silver 999 - Kolkata	39200.00
CMDTY	Silver 999 - Mumbai	39140.00

\* Rates including GST

## Bullion Futures on DGCX

Exch.	Descr.	Last
DGCX	GOLD 27MAR2018	1316.20
DGCX	GOLD 29MAY2018	1321.80
DGCX	GOLD QUANTO 28MAR2018	30423.00
DGCX	GOLD QUANTO 30MAY2018	30411.00
DGCX	SILVER 26APR2018	16.26
DGCX	SILVER 27JUN2018	16.35
DGCX	SILVER QUANTO 27APR2018	38009.00
DGCX	SILVER QUANTO 28JUN2018	38545.00

## Gold Spot 999

Exch.	Descr.	Last*
CMDTY	Gold 999 - Ahemdabad	31250.00
CMDTY	Gold 999 - Bangalore	31255.00
CMDTY	Gold 999 - Chennai	31270.00
CMDTY	Gold 999 - Cochin	31265.00
CMDTY	Gold 999 - Delhi	31255.00
CMDTY	Gold 999 - Hyderabad	31250.00
CMDTY	Gold 999 - Jaipur	31230.00
CMDTY	Gold 999 - Mumbai	31255.00

\* Rates including GST

## Bullion Futures on MCX

Exch.	Descr.	Last
MCX	GOLD 04AUG2017	30418.00
MCX	GOLD 05OCT2017	30615.00
MCX	GOLD 05DEC2017	30537.00
MCX	SILVER 05JUL2017	38520.00
MCX	SILVER 05SEP2017	39009.00
MCX	SILVER 05DEC2017	39479.00

## Gold and Silver Fix

Exch.	Descr.	Last
CMDTY	Gold London AM FIX	1311.70
CMDTY	Gold London PM FIX	1312.40
CMDTY	Silver London FIX	16.28

## Gold / Silver Ratio

Exch.	Descr.	Last
INTL. SPOT	GOLD SILVER RATIO	80.68
MCX	MCX GOLD SILVER RATIO	78.97

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Report is prepared for information purposes only.

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