



Daily Bullion Physical Market Report

Report as on Monday, January 21, 2019

	Important Resistance for MCX Gold Where Physical Player can look to fix his Sell Price	32253 32315	Important Support for MCX Gold Where Physical Player can look to fix his Buying Price	31929 31867
	Important Resistance for Rupee Where Exporter can look to book his today's receivable	71.47 71.51	Important Support for Rupee Where Importer can look to book his today's payment	71.25 71.21

Gold Spot 995			Gold Spot 999		
Exch.	Descr.	LTP*	Exch.	Descr.	LTP*
CMDTY	Gold 995 - Ahmedabad	33220.00	CMDTY	Gold 999 - Ahmedabad	33350
CMDTY	Gold 995 - Bangalore	33200.00	CMDTY	Gold 999 - Bangalore	33350
CMDTY	Gold 995 - Chennai	33220.00	CMDTY	Gold 999 - Chennai	33370
CMDTY	Gold 995 - Cochin	33225.00	CMDTY	Gold 999 - Cochin	33375
CMDTY	Gold 995 - Delhi	33215.00	CMDTY	Gold 999 - Delhi	33365
CMDTY	Gold 995 - Hyderabad	33200.00	CMDTY	Gold 999 - Hyderabad	33350
CMDTY	Gold 995 - Jaipur	33220.00	CMDTY	Gold 999 - Jaipur	33340
CMDTY	Gold 995 - Mumbai	33220.00	CMDTY	Gold 999 - Mumbai	33370

* Rates including GST

Silver Spot 999	
Descr.	LTP*
Silver 999 - Ahmedabad	40070.00
Silver 999 - Bangalore	40100.00
Silver 999 - Chennai	40095.00
Silver 999 - Delhi	40100.00
Silver 999 - Hyderabad	40120.00
Silver 999 - Jaipur	40120.00
Silver 999 - Kolkata	40220.00
Silver 999 - Mumbai	40120.00

* Rates including GST

Gold Ratios
Gold Silver Ratio
82.09

Gold Crude Ratio
8.27

Bullion Futures on DGCX		
Exch.	Descr.	LTP
DGCX	GOLD 29JAN2019	1280.90
DGCX	GOLD QUANTO 30JAN2019	32088.00
DGCX	SILVER 26FEB2019	15.48

Gold and Silver Fix	
Descr.	LTP
Gold London AM FIX	1285.05
Gold London PM FIX	1284.2
Silver London FIX	15.29

Date	Gold*	Silver*
18 Jan 2019 (Friday)	32400.00	39105.00
17 Jan 2019 (Thursday)	32525.00	39265.00
16 Jan 2019 (Wednesday)	32490.00	39315.00

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

18 Jan 2019 (Friday)

Gold Market Update



Market View	
Open	32276.00
High	32319.00
Low	32055.00
Close	32091.00
Value Change	-177.00
% Change	-0.55
Apr-Feb	133.00
Jun-Apr	49.00
Volume	9495
Open Interest	9337
Cng in OI (%)	-11.26

Today's View & Outlook
SELL GOLD 05 FEB 2019 @ 32180 SL 32320 TGT 32020-31880.MCX
 Gold price settles below 1286.70 now, which urges caution from the upcoming trading, as closing below this level will turn the intraday to decline and push the price towards 1262.50 as a next station, while stepping above it again will reactivate the bullish trend scenario that its next target located at 1316.65.

Gold on MCX settled down -0.55% at 32091 as equities and the U.S. dollar got a lift from investors taking on more risk due to growing hopes for a resolution in the China-U.S. trade war. U.S. Treasury Secretary Steve Mnuchin mulled a tariff rollback during trade discussions with Chinese Vice Premier Liu He, scheduled for Jan 30. The dollar was headed for its first weekly gain in five, unfettered by New York Federal Reserve President John Williams' stance that the longest government shutdown was taxing. Gold demand turned fragile in India as local prices jumped to their highest level in 2-1/2-years, while traders in major buying centres in Asia pinned hopes on purchases ahead of the approaching Lunar New Year. Dealers in India were offering a discount of up to \$7 an ounce over official domestic prices this week, up from last week's discount of \$6. India's gold imports in December fell 24.3 percent from a year ago to \$2.57 billion, trade ministry data showed earlier in the week. Premiums in top consumer China stood mostly unchanged from last week at \$6 to \$9 an ounce. Hedge funds and money managers raised their net long position in Comex gold in the week to Dec. 18, the U.S. Commodity Futures Trading Commission said. Speculators raised their net long position in gold by 14,317 contracts to 24,569 contracts, CFTC data showed, to its highest net long position in six months. Technically market is under long liquidation as market has witnessed drop in open interest by -11.26% to settled at 9337 while prices down -177 rupees, now Gold is getting support at 31991 and below same could see a test of 31891 level, And resistance is now likely to be seen at 32255, a move above could see prices testing 32419.

Silver Market Update



Market View	
Open	39450.00
High	39583.00
Low	39107.00
Close	39198.00
Value Change	-202.00
% Change	-0.51
May-Mar	562.00
Jul-May	600.00
Volume	13159
Open Interest	15636
Cng in OI (%)	-3.07

Today's View & Outlook
SELL SILVER MAR BELOW 39380 SL ABV 39580 TGT 39120-38780. MCX (STBT)
 Silver price shows new negative trading to test the key support 15.45, which urges caution from the upcoming trading, as breaking it will turn the intraday track to decline to visit 15.22 level initially, while the next main target of the expected bullish wave is located at 16.00. Expected trading range for today is between 15.20 support and 15.75 resistance.

Silver on MCX settled down -0.51% at 39198 as investors pushed into riskier assets, including stocks, fueled by hope of potential progress toward a resolution in the U.S.-China trade dispute. Investors are optimistic about the U.S.-China trade deal despite the fact the Treasury has denied all the recent rumors. Investors were also increasingly wary that a U.S. partial government shutdown, in its 28th day, could deliver a more lasting impact to economic growth in the first quarter, although reaction in markets has been so far subdued. U.S. consumer sentiment tumbled in early January to its lowest level since President Donald Trump was elected more than two years ago as an ongoing partial shutdown of the federal government and financial market volatility stoked fears of a sharp deceleration in economic growth. The drop in confidence reported by the University of Michigan is the clearest sign yet that the impasse in Washington over Trump's demands for \$5.7 billion to help build a wall on the United States' border with Mexico was negatively impacting the economy. Trump has touted high consumer confidence as an indication of the good job he is doing on the economy. Hedge funds and money managers switched to a net long position in silver in the week to Dec. 18, the U.S. Commodity Futures Trading Commission said. Silver speculators switched to a net long position of 1,912 lots, adding 10,879 lots, CFTC said. This was the first time hedge funds and money managers held a net long position in silver since July. Technically now Silver is getting support at 39009 and below same could see a test of 38820 level, And resistance is now likely to be seen at 39485, a move above could see prices testing 39772.

USDINR Update



Market View	
Open	71.1000
High	71.3250
Low	71.1000
Close	71.2350
Value Change	0.1475
% Change	0.21
Feb-Jan	0.20
Mar-Feb	0.21
Volume	1674370
Open Interest	1356622
Cng in OI (%)	0.61

Today's View & Outlook

BUY USDINR 29 JAN 2019 @ 71.25 SL 71.10 TGT 71.38-71.54. NSE

The rupee on January 18 weakened by 16 paise to close at 71.19 against the US dollar amid a rise in demand for the greenback from exporters and unabated increase in global crude oil prices. This is the second successive week of loss for the Indian currency. Technically market is getting support at 71.15 and below same could see a test of 70.95 level, And resistance is now likely to be seen at 71.34, a move above could see prices testing 71.55.

Rupee ended down on dollar buying by nationalised banks for oil importers amid likely overseas fund outflow from local stocks. Market has turned sceptical regarding the achievement of the fiscal deficit target after Arun Jaitley's speech. Finance Minister Arun Jaitley, in his speech hinted that the government may introduce a nationwide income support programme for farmers and could include free crop insurance as well. Meanwhile, the greenback remained subdued against major peers after reports US Trump administration may consider easing of tariff on Chinese imports which may calm trade tension with China. U.S. Treasury Secretary Steven Mnuchin had considered easing tariff imposed on Chinese imports lifted sentiment though a Treasury spokesman later denied the report. India's top business groups urged the central bank to cut its benchmark interest rate by at least half a percentage point and lower the cash reserve ratio it imposes on banks to stimulate an economy that is showing signs of weakness. The economy had the potential to grow at around 8.5 percent provided the central bank and the government take steps like lowering borrowing costs and corporate tax rates. India's economy is projected to grow 7.2 percent in the financial year to March, faster than a provisional 6.7 percent in 2017-2018. The inflation rate has dropped dramatically in the past year, however, from 5.07 percent in January 2018, while industrial production fell in November, and exports are showing no sign of growth. Technically market is under fresh buying as market has witnessed gain in open interest by 0.61% to settled at 1356622 while prices up 0.1475 rupees, now USDINR is getting support at 71.075 and below same could see a test of 70.975 level, And resistance is now likely to be seen at 71.3, a move above could see prices testing 71.425

Bullion News

Gold prices inched up on Monday on expectations that the U.S. Federal Reserve will pause its multi-year interest rate hike cycle, but gains were limited by a recovery in investor appetite for risk. "Patience" is the new mantra at the Fed, less than two weeks ahead of the U.S. central bank's first policy meeting of the new year, as officials leave little doubt they want to stop raising interest rates - at least for a while. Slower global growth, a stock meltdown last quarter, and partial U.S. government shutdown that threatens consumer confidence and spending have many in the Fed worried about what the central bank's policymakers only last month called "strong" economic activity. And, they say, the economy has yet to feel the full effects of the Fed's four rate hikes last year.

Gold duty cut on agenda - The interim budget could cut the import duty on gold by half to about 5 per cent as the softening of crude prices and lower imports of the yellow metal have reduced the worries over the current account deficit (CAD). The government has indicated it would come out with a comprehensive gold policy and also consider the industry demand to reduce the import duty. With the interim budget a fortnight away, expectations are growing of an import duty cut in the budget followed by a policy for the yellow metal. Industry is placing its case for a duty cut on crude price to be within an acceptable range in 2019-20 and the economy to grow at a faster rate. The government had raised the import duty three times in 2013 to 10 per cent to curb imports, narrow a record CAD and stop a slump in the rupee.

Indian gold demand lags on price surge; all eyes on Lunar New Year - Gold demand turned fragile this week in India as local prices jumped to their highest level in 2-1/2-years, while traders in major buying centres in Asia pinned hopes on purchases ahead of the approaching Lunar New Year. Local gold prices in India, world's second-largest gold consumer, touched their highest since July 2016 this week. Prices are just moving higher and higher. Buyers are waiting for a correction in prices and the annual budget as there is speculation of a duty cut.

Russia's central bank purchased a record 8.8mn ounces of gold in 2018 - The Central Bank of Russia (CBR) purchased a record 8.8mn ounces of gold, or about 274 tonnes, in 2018, according to the regulator's website, up from the 7.2mn ounces (224 tonnes) the central bank bought in 2017, an increase of 22.2% y/y, the CBR reported on January 18. The CBR began actively buying gold and increasing the yellow metal's share in the reserve basket since 2007, but the purchases have accelerated recently as Russia attempts to protect itself from possible "crushing" sanction by the US this year. Gold reserves share in the international reserves of the CBR by the end of 2018 reached 67.9mn ounces (about 2,112 tonnes) and now account for 18.6% of the CBR's total gross international reserves (GIR).

Global Silver Production May Decline More Than Analysts Forecasts - The global mine supply from the top silver producing countries may decline more than the industry forecasts. The leading consultancies reported that global silver production would increase moderately by 1-2% in 2018. However, the data from several countries and large mining companies suggest that overall world silver production may decline by 2-3+%. For example, the top two leading silver producing countries, Mexico and Peru have reported declines in 2018, according to their official data. Mexico's silver production, fell 2.5% from Jan-Oct 2018 compared to the same period last year while Peru's mine supply fell more than 5% (Jan-Nov). Furthermore, KGHM, the large copper by-product silver mining company in Poland reported an 8.7% decline in silver production in the first three-quarters of 2018.

Report is prepared for information purposes only.**Kedia Stocks & Commodities Research Pvt Ltd.**

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