



IBJA Market Update

Daily Market Update

Report as on Thursday, June 21, 2018

Polled Premium/Discount for 995 gold in Ahmedabad -3.00 USD/troy oz on June 20, 2018.

Gold loses its shine despite boiling trade tensions- After trading in a very narrow range for an entire month, gold prices finally broke lower last week on the back of a stronger dollar, to touch fresh lows for the year. The fact that even the increasingly realistic risk of an "all out" US-China trade war was unable to lift gold suggests that buyers are in short supply right now, and unless tensions escalate much further or the US dollar reverses course, the current pattern may continue. The overarching theme in financial markets over the past few days has been the rising trade tensions between the world's two largest economies.

India's May trade deficit widens to \$14.62 billion, trade ministry - India's merchandise exports in May rose 20.2 percent year-on-year, the trade ministry said on Friday, but the trade deficit widened to \$14.62 billion, driven mainly by a 50 percent surge in its oil import bill, on higher global prices. In April trade deficit stood at \$13.72 billion. Merchandise exports last month rose to \$28.86 billion from a year ago, while imports rose 14.85 percent on year to \$43.48 billion, the Ministry of Commerce and Industry said in a statement.

Gold demand dull as equity returns better - Gold demand remains sluggish in India as investors do not see any immediate geopolitical trigger for prices to rise even though the trade war between the US and China has intensified over the past few days. Traders said retail buyers and jewellers have postponed purchase amid hopes that prices will ease in the absence of any new global tension. The metal has fallen nearly 2 per cent in the last two months despite the rupee turning weak against the dollar. They said the summit between US President Donald Trump and North Korean leader Kim Jong-un last week, which reduced geopolitical risks, has also lowered demand for gold, which is seen as a safe haven.

Russia Dumps Treasuries for Gold - Russia is rethinking what counts as a haven asset as it duels with the U.S. Although investors usually seek safety in U.S. debt, Russia cut its holdings of Treasuries nearly in half in April as Washington slapped the harshest sanctions to date on a selection of Russian companies and individuals. In a shift Danske Bank A/S attributed to a deepening "geopolitical standoff," Russia is instead keeping up its purchases of gold.

Rising China Gold Demand - Recently, the World Gold Council reported that China Gold Demand shrank by one-third between 2013 and 2016. What precipitated this drop? Decreasing gold prices drove accelerated buying. However, this fervor led to an over supply. Stores appeared everywhere. Merchandise piled up. This trend gave rise to price wars in which purchases fell with each year representing less than the one before. Despite the signs of a classic supply and demand problem, there was another underlying culprit to the downfall.

Date	Gold*	Silver*
20 Jun 2018 (Wednesday)	30770.00	39535.00
19 Jun 2018 (Tuesday)	30945.00	39820.00
18 Jun 2018 (Monday)	30915.00	40205.00

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

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Outlook: Gold prices hovered close to a six-month low touched in the previous session as a firm U.S. dollar curbed gains. For the day prices a jump towards 30830-30860 will look to sell with a stoploss of above 30950 expecting prices to drop towards 30740-30680 level.

Market View		Daily Levels
Open	30870.00	Resistance
High	30885.00	30987.00
Low	30757.00	30936.00
Close	30781.00	30859.00
Value Change	-110.00	30731.00
% Change	-0.36	30680.00
Margin	5.00	30603.00
Margin (Rs.)	153905	Support
Volume	5676.00	
Open Interest	6142.00	Spread
Cng in OI (%)	0.74	OCT - AUG
Prev Value(Mln)	17501.26	327.00
52 Week High	31808.00	DEC - OCT
52 Week Low	29435.00	309.00

Gold on MCX settled down -0.36% at 30781 as prices remained under pressure as dollar rallies to 11 month peaks. The U.S. jobs market does not appear overly tight and the Federal Reserve should continue with a gradual pace of interest rate rises amid a strong economy to balance its employment and inflation goals, Federal Reserve chairman Jerome Powell said. Concerns about U.S. trade policy are increasing among business officials who are beginning to hold off on hiring and investment decisions given the level of uncertainty, Powell said. A developing trade war between the world's biggest economies is weighing on business confidence and could force central banks to downgrade their outlook, the world's most powerful policymakers argued. It is too early to assess the monetary policy impact of an escalation in trade tariffs between the United States and its partners but there is no reason for optimism, the head of the European Central Bank said. Russia's gold reserves stood at 62.0 million troy ounces as of the start of June, the central bank said on Wednesday. The value of the bank's holdings was \$80.51 billion, it said. Key factors to watch today include the US initial jobless claims over the week ended June 16, the April housing price data from the Federal Housing Finance Agency (FHFA) as well as the preliminary reading of eurozone consumer confidence for June. Technically market is under fresh selling as market has witnessed gain in open interest by 0.74% to settled at 6142 while prices down -110 rupees, now Gold is getting support at 30731 and below same could see a test of 30680 level, And resistance is now likely to be seen at 30859, a move above could see prices testing 30936.

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Gold Spot 995

Exch.	Descr.	Last*
CMDTY	Gold 995 - Ahmedabad	31500.00
CMDTY	Gold 995 - Bangalore	31550.00
CMDTY	Gold 995 - Chennai	31570.00
CMDTY	Gold 995 - Cochin	31570.00
CMDTY	Gold 995 - Delhi	31560.00
CMDTY	Gold 995 - Hyderabad	31545.00
CMDTY	Gold 995 - Jaipur	31530.00
CMDTY	Gold 995 - Kolkata	31600.00
CMDTY	Gold 995 - Mumbai	31565.00

* Rates including GST

Silver Spot 999

Exch.	Descr.	Last*
CMDTY	Silver 999 - Ahmedabad	40395.00
CMDTY	Silver 999 - Bangalore	40790.00
CMDTY	Silver 999 - Chennai	40755.00
CMDTY	Silver 999 - Delhi	40790.00
CMDTY	Silver 999 - Hyderabad	40820.00
CMDTY	Silver 999 - Jaipur	40750.00
CMDTY	Silver 999 - Kolkata	40800.00
CMDTY	Silver 999 - Mumbai	40790.00

* Rates including GST

Bullion Futures on DGCX

Exch.	Descr.	Last
DGCX	GOLD 27JUL2018	1267.80
DGCX	GOLD 26SEP2018	1277.50
DGCX	GOLD QUANTO 30JUL2018	30759.00
DGCX	GOLD QUANTO 27SEP2018	30983.00
DGCX	SILVER 27JUN2018	16.30
DGCX	SILVER 29AUG2018	16.33
DGCX	SILVER QUANTO 28JUN2018	39530.00
DGCX	SILVER QUANTO 30AUG2018	40198.00

Gold Spot 999

Exch.	Descr.	Last*
CMDTY	Gold 999 - Ahmedabad	31630.00
CMDTY	Gold 999 - Bangalore	31700.00
CMDTY	Gold 999 - Chennai	31720.00
CMDTY	Gold 999 - Cochin	31720.00
CMDTY	Gold 999 - Delhi	31710.00
CMDTY	Gold 999 - Hyderabad	31695.00
CMDTY	Gold 999 - Jaipur	31650.00
CMDTY	Gold 999 - Mumbai	31715.00

* Rates including GST

Bullion Futures on MCX

Exch.	Descr.	Last
MCX	GOLD 04AUG2017	30781.00
MCX	GOLD 05OCT2017	31108.00
MCX	GOLD 05DEC2017	31417.00
MCX	SILVER 05JUL2017	39626.00
MCX	SILVER 05SEP2017	40294.00
MCX	SILVER 05DEC2017	41170.00

Gold and Silver Fix

Exch.	Descr.	Last
CMDTY	Gold London AM FIX	1341.05
CMDTY	Gold London PM FIX	1341.05
CMDTY	Silver London FIX	16.45

Gold / Silver Ratio

Exch.	Descr.	Last
INTL. SPOT	GOLD SILVER RATIO	77.94
MCX	MCX GOLD SILVER RATIO	77.68

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