



IBJA Market Update

Daily Market Update

Report as on Thursday, September 21, 2017

Polled Premium/Discount for 995 gold in Ahmedabad -5.00 USD/troy oz on September 20, 2017

Gold on MCX yesterday settled up by 0.52% at 29774 as support seen from the Rupee weakness which fell to 2-month low while Comex Gold traded in the range but pulled back after a statement from US Fed pointed to one more interest-rate hike this year. Gold prices had gained in morning session as the dollar dipped and equities paused their run to fresh records. But the dollar strengthened, putting pressure on dollar-denominated gold in the wake of the Fed's statement, which came after gold prices settled for the session.

Jewellery Sector Looking Forward To A Bright Festive Season- As we inch closer towards the end of the fifteen days of Pitrapaksha (Shraadh), a pre-festive culture in India where ancestors are prayed and remembered, our country gets into the merry mode with a couple of months-long festive season that begins with the nine days of Navratri and concludes with the festival of lights, Deepawali. With high sentimental values of the people towards these auspicious occasions during the season, it is a belief in our country that buying property, vehicle, gold or anything with high value is regarded as a lucky purchase, and thus footfalls and sales in these sectors and industries increase drastically during the festivities.

Cut 3% IGST for bullion jewellery exporters: IBBA - The India Bullion Bankers Association (IBBA) has appealed to the government to exempt gold and studded gold jewellery and articles' exporters from paying 3 per cent IGST on bullion at the time of imports. The move will help boost export growth by unblocking funds, which is a cost for the exporter. IBBA comprises banks with bullion desks and includes the likes of Scotiabank, Kotak Bank, SBI, etc. IBBA recently wrote to the Sectoral Working Group, head for Banking, Financial & Insurance services under GST Council, DGFT and commerce ministry recommending removal of IGST at time of bullion import for exports of finish products.

Largest gold ETF highlights bullion traders' confusion - On one hand, investors are awaiting clues this week on the timetable for reducing the US Federal Reserve's balance sheet, which could curb demand for gold. Rising equities are also hurting the metal's appeal. On the other hand, mounting US-North Korea tension and concern over the economic outlook reinforce the case for owning bullion, which has gained 14% this year. The dilemma is playing out in ETFs. The put-to-call ratio of SPDR Gold Shares, the largest ETF backed by the metal, is the highest in two years, signalling bearish sentiment may be gaining momentum. At the same time, investors poured \$177 million into SPDR Gold last week, a fifth straight weekly inflow.

Fast-track GST refund, else Rs 65K cr may be stuck: Exporters- During the meeting the exporters pressed for starting the refund process immediately based on GSTR-1 and GSTR-3B data. While GSTR-3B is the initial simplified returns which businesses have to file, GSTR-1 is the final sales return to be filed every month. Fearing that a staggering Rs 65,000 crore could get stuck in GST refunds, exporters asked the government to fast-track the refund process and avoid further deterioration in their "liquidity situation". In a presentation before the Committee, the Gems and Jewellery Industry demanded exemption from IGST on procurement of precious metals from the nominated agencies for the purpose of manufacture and export of jewellery.

Date	Gold*	Silver*
20 Sep 2017 (Wednesday)	29950.00	39865.00
19 Sep 2017 (Tuesday)	29840.00	39455.00
18 Sep 2017 (Monday)	29880.00	40090.00

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

20 Sep 2017 (Wednesday)

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Outlook: Gold prices look weak today after the Fed kept alive hopes of a third rate increase this year and said it would begin shrinking its bond portfolio next month. For the day, prices a drop below 29650 will look to sell with stop loss above 29800 expecting the prices to drop towards 29520-29350 level.

Market View		Daily Levels
Open	29693.00	Resistance
High	29799.00	29941.00
Low	29680.00	29870.00
Close	29774.00	29822.00
Value Change	153.00	29703.00
% Change	0.52	29632.00
Margin	5.00	29584.00
Margin (Rs.)	148870	Support
Volume	7919.00	Spread
Open Interest	5648.00	DEC - OCT
Cng in OI (%)	-1.10	FEB - DEC
Prev Value(Mln)	23554.52	162.00
52 Week High	30474.00	16.00
52 Week Low	27780.00	

Gold on MCX settled up 0.52% at 29774 as the U.S. dollar weakened ahead of the Federal Reserve's highly-anticipated monthly policy decision. Gold prices look weak as prices should reverse its gains as the Fed kept alive hopes of a third rate increase this year. The U.S. Federal Reserve left interest rates unchanged but signaled it still expects one more increase by the end of the year despite a recent bout of low inflation. The Fed will reduce its bond holdings evenly across the maturities of Treasury bonds and, on mortgage bonds, it will continue to focus reinvestments on 15- and 30-year securities. The Bank of Japan is expected to reassure markets on Thursday that it will lag well behind its U.S. counterpart in scaling back its massive stimulus, as an improving economy has yet to boost inflation anywhere near its elusive 2 percent target. The euro's appreciation reflects a stronger euro zone economy, supporting calls for the European Central Bank to move away from its unprecedented stimulus policy, ECB rate-setter Klaas Knot said. With strained supply levels continuing to subdue overall activity, the National Association of Realtors released a report on Wednesday showing an unexpected decrease in existing home sales in the U.S. in the month of August. Technically market is under short covering as market has witnessed drop in open interest by -1.1% to settled at 5648 while prices up 153 rupees, now Gold is getting support at 29703 and below same could see a test of 29632 level, And resistance is now likely to be seen at 29822, a move above could see prices testing 29870.

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Gold Spot 995

Exch.	Descr.	Last*
CMDTY	Gold 995 - Ahemdabad	30680.00
CMDTY	Gold 995 - Bangalore	30665.00
CMDTY	Gold 995 - Chennai	30670.00
CMDTY	Gold 995 - Cochin	30715.00
CMDTY	Gold 995 - Delhi	30670.00
CMDTY	Gold 995 - Hyderabad	30680.00
CMDTY	Gold 995 - Jaipur	30665.00
CMDTY	Gold 995 - Kolkata	30750.00
CMDTY	Gold 995 - Mumbai	30695.00

* Rates including GST

Silver Spot 999

Exch.	Descr.	Last*
CMDTY	Silver 999 - Ahemdabad	40700.00
CMDTY	Silver 999 - Bangalore	40940.00
CMDTY	Silver 999 - Chennai	40935.00
CMDTY	Silver 999 - Delhi	40925.00
CMDTY	Silver 999 - Hyderabad	41000.00
CMDTY	Silver 999 - Jaipur	40925.00
CMDTY	Silver 999 - Kolkata	41200.00
CMDTY	Silver 999 - Mumbai	40995.00

* Rates including GST

Bullion Futures on DGCX

Exch.	Descr.	Last
DGCX	GOLD 27SEP2017	1299.00
DGCX	GOLD 28NOV2017	1303.60
DGCX	GOLD QUANTO 28SEP2017	29620.00
DGCX	GOLD QUANTO 29NOV2017	29960.00
DGCX	SILVER 28NOV2017	17.10
DGCX	SILVER 26FEB2018	17.20
DGCX	SILVER QUANTO 29NOV2017	39839.00
DGCX	SILVER QUANTO 27FEB2018	40358.00

Gold Spot 999

Exch.	Descr.	Last*
CMDTY	Gold 999 - Ahemdabad	30810.00
CMDTY	Gold 999 - Bangalore	30815.00
CMDTY	Gold 999 - Chennai	30820.00
CMDTY	Gold 999 - Cochin	30865.00
CMDTY	Gold 999 - Delhi	30820.00
CMDTY	Gold 999 - Hyderabad	30830.00
CMDTY	Gold 999 - Jaipur	30775.00
CMDTY	Gold 999 - Mumbai	30845.00

* Rates including GST

Bullion Futures on MCX

Exch.	Descr.	Last
MCX	GOLD 04AUG2017	29774.00
MCX	GOLD 05OCT2017	29936.00
MCX	GOLD 05DEC2017	29952.00
MCX	SILVER 05JUL2017	40247.00
MCX	SILVER 05SEP2017	40766.00
MCX	SILVER 05DEC2017	41112.00

Gold and Silver Fix

Exch.	Descr.	Last
CMDTY	Gold London AM FIX	1314.90
CMDTY	Gold London PM FIX	1311.30
CMDTY	Silver London FIX	17.38

Gold / Silver Ratio

Exch.	Descr.	Last
INTL. SPOT	GOLD SILVER RATIO	76.02
MCX	MCX GOLD SILVER RATIO	73.98

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Kedia Stocks & Commodities Research Pvt Ltd.

Mumbai. INDIA. Mobile: 9320096333 / 9619551030 Email: info@kediacommodity.com URL: www.kediaadvisory.com

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