



Daily Market Update

Report as on Friday, September 21, 2018

Gold on MCX may see some weakness as Rupee gained against Dollar while Comex Gold prices edged higher to a one-week high as the dollar weakened on receding fears of a full-blown Sino-U.S. trade war, with the yellow metal heading for its first weekly gain in four. Investors are awaiting next week's Federal Reserve meeting. The U.S. central bank is widely expected to raise benchmark interest rates and shed light on the path for future rate hikes. The dollar was also under pressure after a report said that the U.S. and Canada are unlikely to reach an agreement on NAFTA this week.

Gold import curbs with single focus of controlling CAD won't work: IGPC - The Government plans to curb the import of non-essential items including gold, to control the widening CAD. However, a view is emerging that such a single-focus measure will not work. India Gold Policy Centre, which has emerged as an independent body on policy issues related to the precious metal, has proposed an action plan to the government for putting in place a gold policy with five pillars that are aimed at boosting the domestic industry while also curbing non-essential gold imports. Clearing a few bottlenecks in the Gold Monetisation Scheme (GMS) could easily bring down imports of the precious metal, says the India Gold Policy Centre (IGPC), an independent think tank set up within the IIM-A.

India can produce 100 tonnes of gold per year - India has the capacity to produce over 100 tonnes of gold per year to better satisfy the country's enormous demand for the precious metal which is mostly met by imports, a foreign expert said on Wednesday. Addressing Assocham's 11th International Gold Summit here, the Managing Director of Galaxy Gold Mines of Australia, Nick Spencer, said that such an increase in domestic production from the current level of just over 1 tonne per annum would go some way towards satisfying India's hunger for the yellow metal.

India's forex reserves fall below \$400 billion, the lowest in 41 weeks - Indian forex reserves fell to \$399.28 billion in the week ending 7 September 2018, as per weekly data from the Reserve Bank of India. Foreign exchange reserves, which comprises of foreign currency assets, gold, reserve tranche position and SDRs, were at a level that was last seen 41 weeks before on 17 November 2017. India's foreign exchange reserves reached a peak of \$426.08 billion on 13 April 2018. Then the exchange rate of INR to USD was Rs 64.86. However, since April the Indian rupee has depreciated by 12.53 per cent to record its all-time low of 72.99 against the greenback.

World Gold Council To Submit Blueprint To Government On Spot Exchanges - The WGC would soon submit a blueprint to the government on spot exchanges, its MD for India operations said at an ASSOCHAM event held in New Delhi. Somasundaram PR, managing director-India, WGC noted at the ASSOCHAM International Gold Summit stated that a WGC led steering committee which has got all trade associations, key international banks and bullion banks, has been working on the spot exchange blueprint for last six-seven months. It just now finalised what the spot exchange should be and the council will be releasing that both to the government, policymakers and others. Highlighting that demand for gold is likely to remain subdued in the current calendar year, Somasundaram said that while the demand for gold in the first half was seven per cent down compared to last year, the WGC expects it to pick up in the second half. However, it will still be another very subdued year for demand and he expects the demand to be 700-800 tonnes.

Date	Gold*	Silver*
19 Sep 2018 (Wednesday)	30885.00	36750.00
18 Sep 2018 (Tuesday)	30960.00	36990.00
17 Sep 2018 (Monday)	30750.00	36700.00

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

19 Sep 2018 (Wednesday)

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Outlook: Gold prices steadied as the dollar weakened on receding fears of a full-blown Sino-U.S. trade war, with the yellow metal heading for its first weekly gain in four. For the day prices a drop towards 30530-30500 will look to buy with a stoploss of below 30350 expecting prices to jump towards 30640-30750 level.

MCX GOLD

Market View	Daily Levels	
Open	30600.00	Resistance
High	30670.00	30766.00
Low	30562.00	30718.00
Close	30599.00	30658.00
Value Change	-28.00	30550.00
% Change	-0.09	30502.00
Margin	5.00	30442.00
Margin (Rs.)	152995	Support
Volume	3931.00	
Open Interest	6937.00	Spread
Cng in OI (%)	1.11	DEC - OCT
Prev Value(Mln)	12035.75	237.00
52 Week High	31963.00	FEB - DEC
52 Week Low	29268.00	172.00

Gold prices traded in range following news that China would retaliate against a new round of U.S. tariffs on its goods. U.S. Treasuries also rose. The dollar hit a nine-week low against a basket of major currencies, while world stocks bounced up amid continued relief that fresh U.S. and Chinese tariffs on reciprocal imports were less harsh than originally feared. The U.S. economy will expand at a robust pace in coming quarters but slow to 2 percent by the end of 2019, according to forecasters who unanimously said the escalating trade war with China was bad economic policy. Investors have been buying the dollar and selling gold in recent months believing the United States has less to lose from a trade dispute than China. But they may be losing faith in the ability of the U.S. economy to withstand a full-blown trade war with China. Russia's gold reserves stood at 64.3 million troy ounces as of the start of September, the central bank said. Switzerland's gold trade boomed in August, with imports hitting their highest level since January 2017 and exports the highest since June last year, data from the Swiss customs bureau showed. Investors are awaiting next week's Federal Reserve meeting. The U.S. central bank is widely expected to raise benchmark interest rates and shed light on the path for future rate hikes. Technically now Gold is getting support at 30550 and below same could see a test of 30502 level, And resistance is now likely to be seen at 30658, a move above could see prices testing 30718.

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INT. GOLD\$		
Market View		Daily Levels
Open	1203.88	Resistance
High	1207.65	1215.64
Low	1201.31	1211.65
Close	1206.96	1209.30
Value Change	3.21	1202.96
% Change	0.00	1198.97
		1196.62
		Support

Outlook: Gold price crawls upwards gradually to approach testing 1208.40 level again, accompanied by Stochastic move within the overbought areas, waiting to motivate the price to rebound bearishly and resume the recently suggested bearish trend, as the price forms triple top pattern now, its confirmation line is located at 1190.00, which means that breaking this level will confirm rallying towards 1180.00 that represent our next main targets. While noting that breaching 1208.40 will push the price to achieve gains that start at 1224.00.

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Technically market is under long liquidation and getting support at 72.06 and below same could see a test of 71.74 level, And resistance is now likely to be seen at 72.68, a move above could see prices testing 73.05.

USDINR		
Market View		Daily Levels
Open	72.7800	Resistance
High	72.9900	73.44
Low	72.3875	73.22
Close	72.4600	72.84
Value Change	-0.4675	72.24
% Change	-0.64	72.01
Margin	2.51	71.63
Margin (Rs.)	1819	Support
Volume	3532579	
Open Interest	2752272	Spread
Cng in OI (%)	-3.93	OCT - SEP
Prev Value(Mln)	256719.75	0.3100
52 Week High	73.0375	NOV - OCT
52 Week Low	64.5000	0.2775

Rupee edged higher on optimism post reports the Reserve bank of India may mull over the possibility of opening a separate window for oil marketing companies to buy dollars instead of buying them from the open market. Also, news of government considering ways to cut "non-necessary" imports to stem an outflow of dollars supported the local currency further. Selling in the market started after the news that government will soon come up with further measures to curb depreciation in rupee and continued after rumours of RBI planning to open separate oil window. On the global front, greenback traded mixed against its major peers on lack of fresh economic data to drive the market while investor sentiments remained subdued owing to escalating trade war between the US and China. Earlier this week, President Donald Trump announced new tariffs on approximately \$200 billion worth of Chinese imports, although the tariffs will initially be set at 10% compared to the 25% previously floated by the administration. However, the tariffs are set to rise to 25% on Jan 1, and Trump said the US would impose tariffs on another \$267 billion worth of Chinese imports if China takes retaliatory action. On Tuesday, China added \$60 billion of US products to its import tariff list in retaliation for President Donald Trump's planned levies on \$200 billion worth of Chinese goods, effective Sep 24. Technically now USDINR is getting support at 72.21 and below same could see a test of 71.9975 level, And resistance is now likely to be seen at 72.8125, a move above could see prices testing 73.2025.

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Gold Spot 995

Exch.	Descr.	Last*
CMDTY	Gold 995 - Ahmedabad	31500.00
CMDTY	Gold 995 - Bangalore	31490.00
CMDTY	Gold 995 - Chennai	31490.00
CMDTY	Gold 995 - Cochin	31495.00
CMDTY	Gold 995 - Delhi	31485.00
CMDTY	Gold 995 - Hyderabad	31510.00
CMDTY	Gold 995 - Jaipur	31480.00
CMDTY	Gold 995 - Kolkata	31550.00
CMDTY	Gold 995 - Mumbai	31500.00

* Rates including GST

Silver Spot 999

Exch.	Descr.	Last*
CMDTY	Silver 999 - Ahmedabad	37425.00
CMDTY	Silver 999 - Bangalore	37750.00
CMDTY	Silver 999 - Chennai	37750.00
CMDTY	Silver 999 - Delhi	37695.00
CMDTY	Silver 999 - Hyderabad	37815.00
CMDTY	Silver 999 - Jaipur	37690.00
CMDTY	Silver 999 - Kolkata	37900.00
CMDTY	Silver 999 - Mumbai	37800.00

* Rates including GST

Bullion Futures on DGCX

Exch.	Descr.	Last
DGCX	GOLD 26SEP2018	1208.70
DGCX	GOLD 28NOV2018	1213.30
DGCX	GOLD QUANTO 27SEP2018	30580.00
DGCX	GOLD QUANTO 29NOV2018	30757.00
DGCX	SILVER 28NOV2018	14.30
DGCX	SILVER 26FEB2019	14.39
DGCX	SILVER QUANTO 29NOV2018	41189.00

Gold Spot 999

Exch.	Descr.	Last*
CMDTY	Gold 999 - Ahmedabad	31630.00
CMDTY	Gold 999 - Bangalore	31640.00
CMDTY	Gold 999 - Chennai	31640.00
CMDTY	Gold 999 - Cochin	31645.00
CMDTY	Gold 999 - Delhi	31635.00
CMDTY	Gold 999 - Hyderabad	31660.00
CMDTY	Gold 999 - Jaipur	31600.00
CMDTY	Gold 999 - Mumbai	31650.00

* Rates including GST

Bullion Futures on MCX

Exch.	Descr.	Last
MCX	GOLD 04AUG2017	30599.00
MCX	GOLD 05OCT2017	30836.00
MCX	GOLD 05DEC2017	31008.00
MCX	SILVER 05JUL2017	37259.00
MCX	SILVER 05SEP2017	38054.00
MCX	SILVER 05DEC2017	38575.00

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	84.07
MCX	MCX GOLD SILVER RATIO	82.13

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