



Daily Bullion Physical Market Report

Report as on Thursday, August 22, 2019

	Important Resistance for MCX Gold Where Physical Player can look to fix his Sell Price	38132	Important Support for MCX Gold Where Physical Player can look to fix his Buying Price	37854
		38185		37801
	Important Resistance for Rupee Where Exporter can look to book his today's receivable	71.71	Important Support for Rupee Where Importer can look to book his today's payment	71.41
		71.85		71.27

Gold Spot 995			Gold Spot 999		
Exch.	Descr.	LTP*	Exch.	Descr.	LTP*
CMDTY	Gold 995 - Ahmedabad	38740.00	CMDTY	Gold 999 - Ahmedabad	38870
CMDTY	Gold 995 - Bangalore	38640.00	CMDTY	Gold 999 - Bangalore	38790
CMDTY	Gold 995 - Chennai	38720.00	CMDTY	Gold 999 - Chennai	38870
CMDTY	Gold 995 - Cochin	38725.00	CMDTY	Gold 999 - Cochin	38875
CMDTY	Gold 995 - Delhi	38575.00	CMDTY	Gold 999 - Delhi	38725
CMDTY	Gold 995 - Hyderabad	38680.00	CMDTY	Gold 999 - Hyderabad	38830
CMDTY	Gold 995 - Jaipur	38630.00	CMDTY	Gold 999 - Jaipur	38750
CMDTY	Gold 995 - Mumbai	38615.00	CMDTY	Gold 999 - Mumbai	38765

* Rates including GST

Silver Spot 999	
Descr.	LTP*
Silver 999 - Ahmedabad	45000.00
Silver 999 - Bangalore	45080.00
Silver 999 - Chennai	45050.00
Silver 999 - Delhi	44900.00
Silver 999 - Hyderabad	45140.00
Silver 999 - Jaipur	44970.00
Silver 999 - Kolkata	44990.00
Silver 999 - Mumbai	44950.00

* Rates including GST

Gold Ratios
Gold Silver Ratio
86.84

Gold Crude Ratio
9.48

Bullion Futures on DGCX		
Exch.	Descr.	LTP
DGCX	GOLD 26SEP2019	1505.60
DGCX	GOLD QUANTO 27SEP2019	37847.00
DGCX	SILVER 28AUG2019	17.06

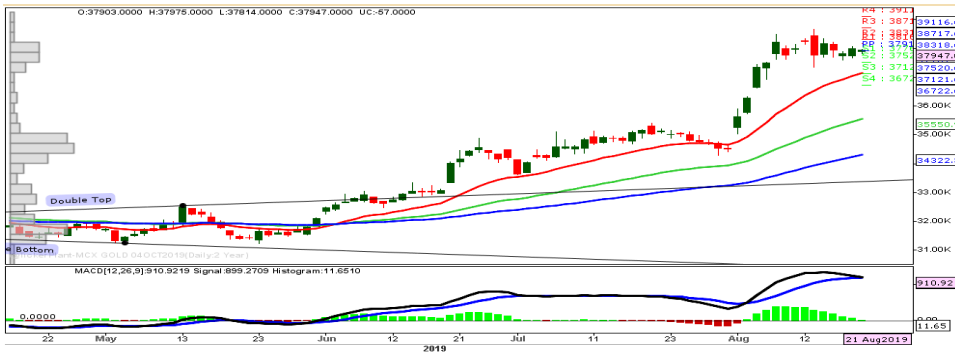
Gold and Silver Fix	
Descr.	LTP
Gold London AM FIX	1334.3
Gold London PM FIX	1340.65
Silver London FIX	17.09

Date	Gold*	Silver*
21 Aug 2019 (Wednesday)	37700.00	43815.00
20 Aug 2019 (Tuesday)	37833.00	43695.00
19 Aug 2019 (Monday)	37610.00	43345.00

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

21 Aug 2019 (Wednesday)

Gold Market Update



Market View	
Open	37903.00
High	38041.00
Low	37814.00
Close	37993.00
Value Change	-11.00
% Change	-0.03
Dec-Oct	623.00
Feb-Dec	623.00
Volume	12255
Open Interest	17171
Cng in OI (%)	0.12

SELL GOLD OCT 2019 @ 38050 SL 38180 TGT 37900-37760.MCX

Today's View & Outlook

Gold price returns to rise and trade above 1503.24 again, to keep the positive scenario valid on the intraday and short term basis, supported by the EMA50, reminding you that our first target is represented by testing 1535.00.

Gold on MCX settled down -0.03% at 37993 as investors cashed in some gains ahead of minutes from the U.S. Federal Reserve's last meeting, which are expected to shed more light on interest rate cuts. Prices showed good gains this month after recent strong gains fuelled by worries over the outlook for the global economy, and the prospect of more U.S. interest rate cuts. U.S. home sales rose more than expected in July, boosted by lower mortgage rates and a strong labor market, signs the Federal Reserve's shift toward lower interest rates was adding support for the economy. The National Association of Realtors said existing home sales rose 2.5% to a seasonally adjusted annual rate of 5.42 million units last month. July's sales pace was revised slightly higher to 5.29 million units from the previously reported 5.27 million units. Traders are awaiting the central bank's annual Jackson Hole seminar later this week, with major focus on a scheduled speech by Fed Chair Jerome Powell. Powell's comments are of particular interest after last week's inversion of the U.S. yield curve – widely regarded as a recession signal – boosted expectations the Fed would lower interest rates at its September policy meeting. Indicative of sentiment, holdings of the world's largest gold-backed exchange-traded fund, SPDR Gold Trust, rose 0.2% to 845.17 tonnes on Tuesday from Monday. Technically market is under fresh selling as market has witnessed gain in open interest by 0.12% to settled at 17171 while prices down -11 rupees, now Gold is getting support at 37857 and below same could see a test of 37722 levels, and resistance is now likely to be seen at 38084, a move above could see prices testing 38176.

Silver Market Update



Market View	
Open	43706.00
High	43880.00
Low	43540.00
Close	43816.00
Value Change	-125.00
% Change	-0.28
Dec-Sep	1344.00
Mar-Dec	1344.00
Volume	16253
Open Interest	12502
Cng in OI (%)	-1.61

SELL SILVER SEP 2019 @ 44000 SL 44300 TGT 43600-43250.MCX

Today's View & Outlook

Silver price tests the EMA50 and it begins to bounce higher from there, keeping the bullish trend scenario active for the rest of the day, and its main targets begin by testing 17.30 level, reminding you that the expected bullish trend is conditioned by holding above 16.75 and 16.50 levels. The expected trading range for today is between 16.90 support and 17.30 resistance.

Silver on MCX settled down -0.28% at 43816 as safe-haven demand faltered as risk appetite returned to markets ahead of the minutes from the last Federal Reserve meeting. The US dollar fell with the drop in Treasury yields, as investors braced for a potentially dovish Federal Reserve at the meeting in Jackson Hole, with many anticipating an announcement of some measures that would ease US recession concerns. The escalation in the trade war between the world's biggest economies and an increasingly dovish shift in policy by central banks have contributed to a rise this month. Powell, under repeated pressure from U.S. President Donald Trump to do more to support the economy, is expected to provide an update on the outlook for monetary policy when he delivers a speech at Jackson Hole on Friday. U.S. home sales rose more than expected in July, boosted by lower mortgage rates and a strong labor market, signs the Federal Reserve's shift toward lower interest rates was adding support for the economy. The National Association of Realtors said existing home sales rose 2.5% to a seasonally adjusted annual rate of 5.42 million units last month. July's sales pace was revised slightly higher to 5.29 million units from the previously reported 5.27 million units. Technically market is under long liquidation as market has witnessed drop in open interest by -1.61% to settled at 12502 while prices down -125 rupees, now Silver is getting support at 43610 and below same could see a test of 43405 levels, and resistance is now likely to be seen at 43950, a move above could see prices testing 44085.

USDINR Update



Market View		
Open		71.5400
High		71.6575
Low		71.4000
Close		71.5850
Value Change		-0.1650
% Change		-0.23
Sep-Aug		0.24
Oct-Sep		0.25
Volume		1927061
Open Interest		2184418
Cng in OI (%)		-8.85

BUY USDINR AUG 2019 @ 71.60 SL 71.46 TGT 71.76-71.85. NSE

Today's View & Outlook

Rupee gained on likely FPI, corporate inflows on expectations of a likely dovish Fed July policy meeting minutes. However, recent inversion of the US yield curve is widely hinting towards recession, boosting hopes of another Fed rate cut in September policy. Technically market is under long liquidation as market has witnessed drop in open interest by -7.11% to settled at 2226188, now USDINR is getting support at 71.3425 and below same could see a test of 71.2425 level, and resistance is now likely to be seen at 71.6, a move above could see prices testing 71.7575.

Rupee gained on likely FPI, corporate inflows on expectations of a likely dovish Fed July policy meeting minutes. Also, central bankers from around the world will gather on Thursday at Jackson Hole, Wyoming, with markets focused on a scheduled speech by Federal Reserve Chair Jerome Powell. The July rate cut by the Fed was assessed as 'mid-cycle adjustment' by Fed Powell and left investors assuming it to be just one-and-done move rather than a start of a consecutive rate cut series. However, recent inversion of the US yield curve is widely hinting towards recession, boosting hopes of another Fed rate cut in September policy. India's factory activity accelerated in July as domestic demand and output strengthened, encouraging firms to hire at the fastest rate in five months, a private business survey showed. The Nikkei Manufacturing Purchasing Managers' Index, compiled by IHS Markit, rose to 52.5 in July from June's 52.1. It has remained above the 50-mark separating contraction from growth for two years. New orders, a measure of overall demand, came in at a faster pace last month and helped boost factory output. But growth in foreign demand slowed to its weakest rate in 15 months, the survey showed. Technically market is under long liquidation as market has witnessed drop in open interest by -7.11% to settled at 2226188, now USDINR is getting support at 71.3425 and below same could see a test of 71.2425 level, and resistance is now likely to be seen at 71.6, a move above could see prices testing 71.7575.

Bullion News

Gold prices recovered after a weak start to end flat on Wednesday, with traders largely staying wary of making big moves ahead of the release of the minutes of the Federal Reserve's late July meeting. The early weakness of the yellow metal was due to the firm trend exhibited by European and U.S. stocks thanks to increased risk appetite of investors. The dollar index was sluggish right since morning and was last seen at 98.18, down marginally from previous close, after moving between 97.75 and 98.30. Traders were also reacting to President Donald Trump's comments that pressurize the central bank to reduce interest rates. Trump said the Fed's policies were hampering the country's growth and reducing its ability to compete economically.

Price Surge Spells 'Hell' for India Gold Sales as Demand Wanes - Jewelers in India, the top consumer after China, are facing a bleak outlook as record high prices and fading demand threaten to drag annual gold sales to the lowest in three years. With demand growing 9% during the January-June period, jewelers were expecting consumption to increase after a subdued couple of years. Those hopes are evaporating after a combination of high taxes, record prices, slowing economic growth and floods in the South Asian country are poised to erode demand in the peak festival season that begins later this month. India's consumption of gold has been affected by the government's efforts to curb its trade deficit and measures to discourage investors who used the metal to evade taxes. Prime Minister Narendra Modi's administration increased the import tax on the precious metal in July, which pushed domestic prices to an all-time high of 38,666 rupees (\$541) per 10 grams last week. Gold futures in Mumbai have gained about 17% since June on local factors and in tandem with overseas spot gold, which has rallied to a six-year high as the U.S.-China trade war plays out.

China Curtails Gold Imports Amid Rising Trade Tensions - In response to its ongoing dispute with the United States and to curb the outflow of US dollar, China has reportedly started to restrict its imports of Gold. The measure had reportedly started in May after trade negotiations with the United States had broken down. By restricting its imports of Gold, China is likely aiming to bolster its own currency as its economy braces for the impact of the geopolitical turmoil. According to reports citing bullion industry sources close to the matter, China has cut its total shipments of gold by around 300 to 500 tons when compared to the previous year. That amount of gold is estimated to be worth between \$15 billion to \$25 billion based on current market prices. Chinese customs data have revealed that China's importation of gold fell to 575 tons for the first half of the year compared to the 883 tons it imported over the same period last year. For the month of May, China only imported 71 tons of gold, which was a drastic drop from the 157 tons it imported during the same month in 2018. Import data for June saw an even steeper decline, as China only imported 57 tons compared to the 199 tons for the same month.

Gold To Perform As Returns Of Other Assets Unpredictable, Says World Gold Council - Even as interest rates turn negative and financial markets enter phases of uncertainty across the world, gold has emerged a safe haven among major asset classes over the past 10 months. Demand for gold is expected to increase further globally, said Joseph Cavatoni, managing director of World Gold Council U.S., adding prices of the yellow metal surged nearly 25 percent in the same period. "When you have negative real rates in 70 percent of the developed markets, you're going to look for assets that can actually do what you need in your portfolio," he told. Global gold demand rose 8 percent over last year to 1,123 tonne in the second quarter of 2019, he said. The rest of the year and 2020 are going to be ideal to increase demand levels worldwide, he said, with geopolitical risks and inability of investors to be confident about other asset return predictions driving its consumption. The World Gold Council, he said, is monitoring global developments. "While we're definitely paying attention to what the U.S. Federal Reserve would do with rates... nearly 50 percent of the demand for

Gold sales may hit three-year low amid skyrocketing prices, waning demand - Jewelers in India, the top consumer after China, are facing a bleak outlook as record-high prices and fading demand threaten to drag annual gold sales to the lowest in three years. With demand growing 9% during the January-June period, jewelers were expecting consumption to increase after a subdued couple of years. Those hopes are evaporating after a combination of high taxes, record prices, slowing economic growth and floods in the South Asian country are poised to erode demand in the peak festival season that begins later this month. "Everything is hitting us at the same time," N. Anantha Padmanaban, chairman of the All India Gem & Jewellery Domestic Council, said by phone. Full-year demand is expected to be at par with 2016, when consumption slumped to a seven-year low of 666 tons, as buyers restrict themselves to wedding-related purchases, he said. India's consumption of gold has been affected by the government's efforts to curb its trade deficit and measures to discourage investors who used the metal to evade taxes. Prime Minister Narendra Modi's administration increased the import tax on the precious metal in July, which pushed domestic prices to an all-time high of 38,666 rupees (\$541) per 10 grams last week.

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