



IBJA Market Update

Daily Market Update

Report as on Friday, September 22, 2017

Polled Premium/Discount for 995 gold in Ahmedabad -4.50 USD/troy oz on September 21, 2017

Gold prices dropped in yesterday's session in the line of expectation settled at 29564 down-by -0.71 while support seen as rupee crashes to 2.5-month low after the US Federal Reserve hinted that interest rates will go up in December. Comex Gold settled below \$1300 for the first time in September as the Fed also announced it will slowly shrink its huge, economy-boosting \$4.5 trillion balance sheet starting in October. Higher U.S. interest rates typically boost the dollar, making gold less attractive to investors.

Bullion look supportive on mounting US & North Korea tension- and concern over the economic outlook reinforce the case for owning bullion, which has gained 14% this year. Last night President Donald Trump's threat that America would "totally destroy" North Korea if forced to defend itself or its allies did little to raise safe-haven demand.

KYC cracker scares gold buyers, sales fall 50% since last month - Bullion dealers, bankers and jewellers said they don't see much activity in gold even as the key festivals of Dussehra and Dhanteras are approaching. The festival season that stretches to November accounts for as much as 60 per cent of India's annual gold sales, but the trade is unsure about demand this year as the prices are also ruling high. New rules announced on August 23 have made it compulsory for consumers to furnish KYC information when they buy gold worth Rs 50,000 or more, compared with Rs 2 lakh previously.

Drop in demand-Surendra Mehta, national secretary at the India Bullion & Jewellers Association, said while the government had lowered the threshold to apply KYC rules on August 23, the trade started to feel the real pinch from the beginning of this month. The drop in demand -which he said is as much as 50 per cent -has not only affected retail sales, but hurt business-to-business sales as well. "There were very little footfall in jewellery exhibitions that took place in the last fortnight.

Average daily sales in India during the August to September period are 2.5 tonnes- which have now reduced to about 1.25 tonnes, trade sources said. The World Gold Council predicted that India, the second biggest consumer of gold after China, would require 650-750 tonnes of gold this year. If the slowdown in demand continues, it may have to revise the outlook.

Date	Gold*	Silver*
21 Sep 2017 (Thursday)	29730.00	39265.00
20 Sep 2017 (Wednesday)	29950.00	39865.00
19 Sep 2017 (Tuesday)	29840.00	39455.00

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

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Outlook: Gold moved lower in the line of expectation after US Fed announcement that hinted at another hike in short term interest rates. MCX Gold rebounded as support seen from Rupee weakness and renewed geo-political tension. For the day, prices a drop towards 29500 will look to buy with stop loss below 29370 expecting the prices to jump towards 29650-29750 level.

Market View		Daily Levels
Open	29555.00	Resistance
High	29623.00	29823.00
Low	29443.00	29723.00
Close	29564.00	29643.00
Value Change	-210.00	29463.00
% Change	-0.71	29363.00
Margin	5.00	29283.00
Margin (Rs.)	147820	Support
Volume	11619.00	
Open Interest	5392.00	Spread
Cng in OI (%)	-4.53	DEC - OCT
Prev Value(Mln)	34309.88	147.00
52 Week High	30474.00	FEB - DEC
52 Week Low	27780.00	26.00

Gold on MCX settled down -0.71% at 29564 after the U.S. Federal Reserve hinted that interest rates will go up in December. "The hot money was betting on lower for longer from the Fed," he said. "Now it's shocked that [Fed Chairwoman] Janet Yellen's team have repeated what they announced back in June about letting [quantitative easing] ease back from next month." On Wednesday, after gold prices settled, the U.S. central bank indicated it still plans to raise interest rates once more by the end of the year, with three more hikes potentially coming in 2018. The Fed also announced it will slowly shrink its huge, economy-boosting \$4.5 trillion balance sheet starting in October. Higher U.S. interest rates make other assets — such as bonds — more attractive relative to gold, which doesn't yield any interest. Higher rates also typically boost the dollar, making dollar-priced gold less attractive to investors using another currency. Euro zone economic growth is gaining momentum and the rapid fall in the unemployment rate is encouraging but inflation has yet to show convincing signs of a sustained upward trend, requiring continued stimulus, the European Central Bank. Technically market is under long liquidation as market has witnessed drop in open interest by -4.53% to settled at 5392 while prices down -210 rupees, now Gold is getting support at 29463 and below same could see a test of 29363 level, And resistance is now likely to be seen at 29643, a move above could see prices testing 29723.

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Gold Spot 995

Exch.	Descr.	Last*
CMDTY	Gold 995 - Ahemdabad	30460.00
CMDTY	Gold 995 - Bangalore	30460.00
CMDTY	Gold 995 - Chennai	30460.00
CMDTY	Gold 995 - Cochin	30480.00
CMDTY	Gold 995 - Delhi	30470.00
CMDTY	Gold 995 - Hyderabad	30460.00
CMDTY	Gold 995 - Jaipur	30465.00
CMDTY	Gold 995 - Kolkata	30530.00
CMDTY	Gold 995 - Mumbai	30490.00

* Rates including GST

Silver Spot 999

Exch.	Descr.	Last*
CMDTY	Silver 999 - Ahemdabad	40125.00
CMDTY	Silver 999 - Bangalore	40420.00
CMDTY	Silver 999 - Chennai	40410.00
CMDTY	Silver 999 - Delhi	40400.00
CMDTY	Silver 999 - Hyderabad	40510.00
CMDTY	Silver 999 - Jaipur	40430.00
CMDTY	Silver 999 - Kolkata	40650.00
CMDTY	Silver 999 - Mumbai	40480.00

* Rates including GST

Bullion Futures on DGCX

Exch.	Descr.	Last
DGCX	GOLD 27SEP2017	1295.90
DGCX	GOLD 28NOV2017	1294.00
DGCX	GOLD QUANTO 28SEP2017	29501.00
DGCX	GOLD QUANTO 29NOV2017	29787.00
DGCX	SILVER 28NOV2017	17.09
DGCX	SILVER 26FEB2018	17.05
DGCX	SILVER QUANTO 29NOV2017	39729.00
DGCX	SILVER QUANTO 27FEB2018	40288.00

Gold Spot 999

Exch.	Descr.	Last*
CMDTY	Gold 999 - Ahemdabad	30610.00
CMDTY	Gold 999 - Bangalore	30610.00
CMDTY	Gold 999 - Chennai	30610.00
CMDTY	Gold 999 - Cochin	30630.00
CMDTY	Gold 999 - Delhi	30620.00
CMDTY	Gold 999 - Hyderabad	30610.00
CMDTY	Gold 999 - Jaipur	30575.00
CMDTY	Gold 999 - Mumbai	30640.00

* Rates including GST

Bullion Futures on MCX

Exch.	Descr.	Last
MCX	GOLD 04AUG2017	29564.00
MCX	GOLD 05OCT2017	29711.00
MCX	GOLD 05DEC2017	29737.00
MCX	SILVER 05JUL2017	39833.00
MCX	SILVER 05SEP2017	40392.00
MCX	SILVER 05DEC2017	40764.00

Gold and Silver Fix

Exch.	Descr.	Last
CMDTY	Gold London AM FIX	1297.35
CMDTY	Gold London PM FIX	1292.10
CMDTY	Silver London FIX	16.95

Gold / Silver Ratio

Exch.	Descr.	Last
INTL. SPOT	GOLD SILVER RATIO	76.12
MCX	MCX GOLD SILVER RATIO	74.22

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