



IBJA Market Update

Daily Market Update

Report as on Friday, June 23, 2017

Polled Premium/Discount for 995 gold in Ahmedabad 0.50 USD/troy oz on June 22, 2017.

Gold prices gained marginally in the line of expectation moving further away from their lowest level in around five weeks as recent selling pressure tied to bets on another U.S. interest rate hike this year faded. Investors continued to evaluate the possibility of another rate hike from the Fed later this year in the wake of mixed messages from policymakers in recent days.

Gold may be in a longer-term bullish trend signaled by the formation of a rare golden cross in December, according to Ned Naylor-Leyland, manager of the Old Mutual Gold & Silver Fund. That's when the 50-week average moved above the 200-week gauge, and the previous time it happened was in 2002. When the opposite happens, it's known as a death cross and considered bearish. Every time they've crossed in the past 30 years, it foreshadowed a broad price move that lasted at least three years in gold and real bond yields.

Fed Signals More Trouble for Gold to Come : Last week's rate hike may not be the end of the troubles for gold this year. The Fed has reiterated its plans to institute another rate hike later in the year. At the same time, the ECB is reviewing its policies and may loosen its monetary regulations. As borrowing costs go up, the appeal of gold bullion tends to go down, considering that gold pays no interest. In fact, the result is that investors are withdrawing from SPDR Gold Shares at the fastest pace so far this year.

GOLD AND GST: The GST will be rolled out on July 1. The price market is going to change for most of the commodities prompting shopping outlets to announce clearance sale. This is perhaps the best time to buy gold jewellery. Though the tax incidence on gold remains unchanged on the two sides of GST divide, it is the making charges that are going to make gold jewellery costlier under the new taxation regime. At present, gold attracts 1% excise duty and 2% VAT. From July 1, there will be 3% GST on gold. But, while making charges are not taxed at present, the craft would attract 18% GST from July 1 making gold jewellery expensive.

Rural demand for gold has dropped 30-40% over the past fortnight as sowing has picked up across the country with the onset of monsoon. Farmers are busy buying seeds, fertilisers, tractors and other agricultural equipment but staying away from the yellow metal which is regarded as a key asset class in rural India.

Date	Gold	Silver
22 Jun 2017 (Thursday)	28845.00	38640.00
21 Jun 2017 (Wednesday)	28735.00	38405.00
20 Jun 2017 (Tuesday)	28700.00	38560.00

* The above rate are IBJA PM rates

22 Jun 2017 (Thursday)

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Outlook: Gold traded in range but prices rebounded supported by weaker dollar and as an oil price slump pushed down stock markets, for today one should go long near to 28580 level with stoploss below 28480 level for a jump till 28800 level.

Market View		Daily Levels
Open	28645.00	Resistance
High	28749.00	28841.00
Low	28620.00	28795.00
Close	28629.00	28712.00
Value Change	52.00	28583.00
% Change	0.18	28537.00
Margin	5.00	28454.00
Margin (Rs.)	143145	Support
Volume	7354.00	
Open Interest	4743.00	Spread
Cng in OI (%)	-6.45	OCT - AUG
Prev Value(Mln)	21094.09	143.00
52 Week High	32011.00	DEC - OCT
52 Week Low	28043.00	140.00

Gold on MCX settled up 0.18% at 28629 on short covering moving prices further away from their lowest level in around five weeks as recent selling pressure tied to bets on another US interest rate hike this year faded. Investors continued to evaluate the possibility of another rate hike from the Fed later this year in the wake of mixed messages from policymakers in recent days. Last week, the U.S. central bank raised interest rates for the second time this year and maintained plans to go ahead with another rate hike by year-end. Despite the Fed's relatively hawkish message, market players remained doubtful over the central bank's ability to raise rates as much as it would like in the coming months due to a recent run of disappointing US economic data and indications of weak inflation. Futures traders are pricing in less than a 15% chance of a hike at the Fed's Sept meeting, odds of a Dec increase was seen at about 35%. Sentiments remain firm as support seen after the report that Gold may be in a longer-term bullish trend signaled by the formation of a rare golden cross in December, according to Ned Naylor-Leyland, manager of the Old Mutual Gold & Silver Fund. That's when the 50-week average moved above the 200-week gauge, and the previous time it happened was in 2002. When the opposite happens, it's known as a death cross and considered bearish. Every time they've crossed in the past 30 years, it foreshadowed a broad price move that lasted at least three years in gold and real bond yields. Technically market is getting support at 28583 and below same could see a test of 28537 level, And resistance is now likely to be seen at 28712, a move above could see prices testing 28795.

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Gold Spot 995

Exch.	Descr.	Last
CMDTY	Gold 995 - Ahemdabad	28915.00
CMDTY	Gold 995 - Bangalore	28940.00
CMDTY	Gold 995 - Chennai	28960.00
CMDTY	Gold 995 - Cochin	28975.00
CMDTY	Gold 995 - Delhi	28915.00
CMDTY	Gold 995 - Hyderabad	28925.00
CMDTY	Gold 995 - Jaipur	28910.00
CMDTY	Gold 995 - Kolkata	29000.00
CMDTY	Gold 995 - Mumbai	28700.00

Silver Spot 999

Exch.	Descr.	Last
CMDTY	Silver 999 - Ahemdabad	38295.00
CMDTY	Silver 999 - Bangalore	38645.00
CMDTY	Silver 999 - Chennai	38650.00
CMDTY	Silver 999 - Delhi	38645.00
CMDTY	Silver 999 - Hyderabad	38675.00
CMDTY	Silver 999 - Jaipur	38640.00
CMDTY	Silver 999 - Kolkata	39000.00
CMDTY	Silver 999 - Mumbai	38600.00

Bullion Futures on DGCX

Exch.	Descr.	Last
DGCX	GOLD 27JUL2017	1252.50
DGCX	GOLD 27SEP2017	1252.60
DGCX	GOLD QUANTO 28JUL2017	28633.00
DGCX	GOLD QUANTO 28SEP2017	28750.00
DGCX	SILVER 28JUN2017	16.57
DGCX	SILVER 29AUG2017	16.45
DGCX	SILVER QUANTO 29JUN2017	38200.00
DGCX	SILVER QUANTO 30AUG2017	38696.00

Gold Spot 999

Exch.	Descr.	Last
CMDTY	Gold 999 - Ahemdabad	29065.00
CMDTY	Gold 999 - Bangalore	29090.00
CMDTY	Gold 999 - Chennai	29110.00
CMDTY	Gold 999 - Cochin	29125.00
CMDTY	Gold 999 - Delhi	29065.00
CMDTY	Gold 999 - Hyderabad	29075.00
CMDTY	Gold 999 - Jaipur	29020.00
CMDTY	Gold 999 - Mumbai	28850.00

Bullion Futures on MCX

Exch.	Descr.	Last
MCX	GOLD 04AUG2017	28629.00
MCX	GOLD 05OCT2017	28772.00
MCX	GOLD 05DEC2017	28912.00
MCX	SILVER 05JUL2017	38220.00
MCX	SILVER 05SEP2017	38716.00
MCX	SILVER 05DEC2017	39444.00

Gold and Silver Fix

Exch.	Descr.	Last
CMDTY	Gold London AM FIX (US DOLLARS PER TROY OUNCE)	1251.40
CMDTY	Gold London PM FIX (US DOLLARS PER TROY OUNCE)	1250.80
CMDTY	Silver London FIX (US DOLLARS PER TROY OUNCE)	16.58

Gold / Silver Ratio

Exch.	Descr.	Last
INTL.SPOT	GOLD SILVER RATIO	75.34
MCX	MCX GOLD SILVER RATIO	74.91

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Report is prepared for information purposes only.

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