



IBJA Market Update

Daily Market Update

Report as on Thursday, May 24, 2018

Polled Premium/Discount for 995 gold in Ahmedabad -6.00 USD/troy oz on May 23, 2018.

Gold prices edged higher for a second day settled at 31183 as the dollar extended losses after minutes of the latest Federal Reserve meeting hinted at a dovish approach to interest rate hikes in the United States. Support also seen as investors fretted about new setbacks in US-China trade talks, but negative sentiment was tempered by US Federal Reserve meeting minutes suggesting it would not raise the tempo at which it increases interest rates.

Demand to remain resilient in urban India, even as rural demand picks up gradually - Demand to remain resilient in urban India, even as rural demand picks up gradually. A normal monsoon and demonetisation and GST in the base, they expect gradual improvement in demand ahead of general elections scheduled for April / May 2019. Demand from rural should improve post monsoon as the government's also intent to increase farm income by higher MSP and market interventions bodes well for demand as rural India houses more than 60 per cent of population.

UK Gold Imports and Exports - With the release of the latest gold import and export figures, the UK demonstrated its importance as a key middle player in global gold trade. While imports of 55.2 tonnes in March showed few surprises being largely sourced from major producing nations. The USA accounted for over 40% of the country's gold imports, while Canada provided 27.5%. The world's Nos. 2 and 3 gold miners – Australia and Russia – do not trade much, if any, gold through the UK – the former for geographical reasons and the latter because it takes most of its newly mined gold into its own gold reserves.

U.S. Sanctions On Iran Could Boost Gold Prices - The recently announced U.S. sanctions on Iran will likely give a boost to prices for the yellow metal. The news should come as some welcome relief to anyone who owns the metal as its performance hasn't been exactly stellar of late. The price of gold was recently trading around \$1,293 a troy ounce, down from an average of around \$1,332 in January, according to data from the LBMA, a U.K.-based metals market trade group. The sanctions on Iran not only make it illegal for U.S. people to trade with Iran but also severely restrict the use of any financial institution connected with U.S. banks or the U.S. financial system.

Gold likely to fall to \$1,250 an ounce by the end of September - Gold seems to be stuck below the \$1,300 an ounce level for the next few months, according to ABN Amro. The Dutch bank expects gold to hit \$1,275 at the end of June and then fall down to \$1,250 by the end of September. Main pressures dragging gold down in the near future will remain higher U.S. dollar and rising U.S. Treasury yields, the bank said in its Precious Metals Watch report. ABN Amro's outlook estimates that the U.S. Treasury yields will rise to 3.2% before the end of 2018. The Dutch bank also projects for the Federal Reserve to raise interest rates by another 75bps in 2018 and 50bps in 2019.

Date	Gold*	Silver*
23 May 2018 (Wednesday)	31440.00	40300.00
22 May 2018 (Tuesday)	31250.00	40175.00
21 May 2018 (Monday)	31060.00	39715.00

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

23 May 2018 (Wednesday)

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Market View		Daily Levels	
Open	31125.00	Resistance	
High	31389.00	31643.00	
Low	31095.00	31516.00	
Close	31183.00	31349.00	
Value Change	75.00	31055.00	
% Change	0.24	30928.00	
Margin	5.00	30761.00	
Margin (Rs.)	155915	Support	
Volume	10467.00	Spread	
Open Interest	4100.00	AUG - JUN	
Cng in OI (%)	4.17	OCT - AUG	
Prev Value(Mln)	32688.02	275.00	
52 Week High	31620.00	337.00	
52 Week Low	28421.00		

Outlook: Gold prices looks firm as the dollar extended losses after minutes of the latest Federal Reserve meeting hinted at a dovish approach to interest rate hikes in the United States. For the day prices a drop towards 31140-31080 will look to buy with a stoploss of below 30960 expecting prices to jump towards 31180-31300 level.

Gold on MCX settled up 0.24% at 31183 as the U.S. dollar backed off its highs while investors interpreted minutes from the U.S. Federal Reserve's latest policy meeting as dovish. The Federal Reserve continues to project two more rate hikes are on the way this year with three more on the way for 2019, according to the minutes of their most recent meeting. There was no interest rate hike at the May meeting, but policy makers debated the threat of inflation and acknowledged trade-related uncertainties. The Fed has raised interest rates six times since the financial crisis, and another quarter-point rate hike in June is universally expected. "Most participants judged that if incoming information broadly confirmed their economic outlook, it would likely soon be appropriate for the FOMC to take another step in removing policy accommodation," the minutes said. Gold also saw some safe-haven support after President Sergio Mattarella gave political novice Giuseppe Conte a mandate to lead the first government in Italy made up of anti-establishment parties that have vowed to shake up the European Union. Trump also cited a "substantial chance" his summit with North Korean leader Kim Jong Un will not take place as planned on June 12 amid concerns that Kim is resistant to giving up his nuclear weapons. Technically market is under fresh buying as market has witnessed gain in open interest by 4.17% to settled at 4100 while prices up 75 rupees, now Gold is getting support at 31055 and below same could see a test of 30928 level, And resistance is now likely to be seen at 31349, a move above could see prices testing 31516.

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Gold Spot 995

Exch.	Descr.	Last*
CMDTY	Gold 995 - Ahmedabad	32250.00
CMDTY	Gold 995 - Bangalore	32255.00
CMDTY	Gold 995 - Chennai	32250.00
CMDTY	Gold 995 - Cochin	32250.00
CMDTY	Gold 995 - Delhi	32245.00
CMDTY	Gold 995 - Hyderabad	32225.00
CMDTY	Gold 995 - Jaipur	32220.00
CMDTY	Gold 995 - Kolkata	32280.00
CMDTY	Gold 995 - Mumbai	32240.00

* Rates including GST

Silver Spot 999

Exch.	Descr.	Last*
CMDTY	Silver 999 - Ahmedabad	41050.00
CMDTY	Silver 999 - Bangalore	41450.00
CMDTY	Silver 999 - Chennai	41465.00
CMDTY	Silver 999 - Delhi	41475.00
CMDTY	Silver 999 - Hyderabad	41470.00
CMDTY	Silver 999 - Jaipur	41460.00
CMDTY	Silver 999 - Kolkata	41600.00
CMDTY	Silver 999 - Mumbai	41510.00

* Rates including GST

Bullion Futures on DGCX

Exch.	Descr.	Last
DGCX	GOLD 29MAY2018	1293.80
DGCX	GOLD 27JUL2018	1294.00
DGCX	GOLD QUANTO 30MAY2018	31182.00
DGCX	GOLD QUANTO 30JUL2018	31454.00
DGCX	SILVER 27JUN2018	16.40
DGCX	SILVER 29AUG2018	16.50
DGCX	SILVER QUANTO 28JUN2018	40300.00
DGCX	SILVER QUANTO 30AUG2018	40871.00

Gold Spot 999

Exch.	Descr.	Last*
CMDTY	Gold 999 - Ahmedabad	32380.00
CMDTY	Gold 999 - Bangalore	32405.00
CMDTY	Gold 999 - Chennai	32400.00
CMDTY	Gold 999 - Cochin	32400.00
CMDTY	Gold 999 - Delhi	32395.00
CMDTY	Gold 999 - Hyderabad	32375.00
CMDTY	Gold 999 - Jaipur	32340.00
CMDTY	Gold 999 - Mumbai	32390.00

* Rates including GST

Bullion Futures on MCX

Exch.	Descr.	Last
MCX	GOLD 04AUG2017	31183.00
MCX	GOLD 05OCT2017	31458.00
MCX	GOLD 05DEC2017	31795.00
MCX	SILVER 05JUL2017	40274.00
MCX	SILVER 05SEP2017	40845.00
MCX	SILVER 05DEC2017	41684.00

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	78.86
MCX	MCX GOLD SILVER RATIO	77.43

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Report is prepared for information purposes only.

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