



**Daily Bullion Physical Market Report**

Report as on Friday, January 04, 2019

	<b>Important Resistance for MCX Gold Where Physical Player can look to fix his Sell Price</b>	<b>31946</b>  <b>32007</b>	<b>Important Support for MCX Gold Where Physical Player can look to fix his Buying Price</b>	<b>31632</b>  <b>31571</b>
	<b>Important Resistance for Rupee Where Exporter can look to book his today's receivable</b>	<b>70.25</b>  <b>70.37</b>	<b>Important Support for Rupee Where Importer can look to book his today's payment</b>	<b>69.67</b>  <b>69.55</b>

Gold Spot 995			Gold Spot 999		
Exch.	Descr.	LTP*	Exch.	Descr.	LTP*
CMDTY	Gold 995 - Ahmedabad	32820.00	CMDTY	Gold 999 - Ahmedabad	32950
CMDTY	Gold 995 - Bangalore	32805.00	CMDTY	Gold 999 - Bangalore	32955
CMDTY	Gold 995 - Chennai	32820.00	CMDTY	Gold 999 - Chennai	32970
CMDTY	Gold 995 - Cochin	32825.00	CMDTY	Gold 999 - Cochin	32975
CMDTY	Gold 995 - Delhi	32825.00	CMDTY	Gold 999 - Delhi	32975
CMDTY	Gold 995 - Hyderabad	32800.00	CMDTY	Gold 999 - Hyderabad	32950
CMDTY	Gold 995 - Jaipur	32805.00	CMDTY	Gold 999 - Jaipur	32925
CMDTY	Gold 995 - Mumbai	32825.00	CMDTY	Gold 999 - Mumbai	32975

\* Rates including GST

Silver Spot 999	
Descr.	LTP*
Silver 999 - Ahmedabad	39900.00
Silver 999 - Bangalore	39940.00
Silver 999 - Chennai	39925.00
Silver 999 - Delhi	39925.00
Silver 999 - Hyderabad	39955.00
Silver 999 - Jaipur	39915.00
Silver 999 - Kolkata	40000.00
Silver 999 - Mumbai	39950.00

\* Rates including GST

Gold Ratios
Gold Silver Ratio
80.31

Gold Crude Ratio
9.61

Bullion Futures on DGCX		
Exch.	Descr.	LTP
DGCX	GOLD 29JAN2019	1297.40
DGCX	GOLD QUANTO 30JAN2019	31820.00
DGCX	SILVER 26FEB2019	15.79

Gold and Silver Fix	
Descr.	LTP
Gold London AM FIX	1341.05
Gold London PM FIX	1341.05
Silver London FIX	16.45

Date	Gold*	Silver*
<b>03 Jan 2019 (Thursday)</b>	31975.00	38780.00
<b>02 Jan 2019 (Wednesday)</b>	31935.00	38495.00
<b>01 Jan 2019 (Tuesday)</b>	31660.00	38240.00

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

03 Jan 2019 (Thursday)

Gold Market Update



Market View	
Open	31700.00
High	31938.00
Low	31681.00
Close	31789.00
Value Change	179.00
% Change	0.57
Apr-Feb	91.00
Jun-Apr	129.00
Volume	11912
Open Interest	13793
Cng in OI (%)	4.46

**Today's View & Outlook**  
**BUY GOLD FEB 2019 @ 31700 SL 31550 TGT 31880-32000.MCX**  
 Gold price resumes its positive trading after the support base formed above 1286.70 level, to keep the bullish trend active for the upcoming period, supported by the EMA50 that keeps carrying the price from below, noting that our next main target is located at 1316.65. Expected trading range for today is between 1275.00 support and 1316.00 resistance.

Gold on MCX settled up 0.57% at 31789 as worries about a global economic slowdown and volatility in equities boosted safe-haven buying, while a weaker dollar offered support. Adding to investor concerns, a meeting between U.S. congressional leaders and President Donald Trump on Wednesday saw no sign of an agreement to end a partial government shutdown, now in its 12th day. Meanwhile, businesses in Britain's dominant services sector reported the slowest sales growth in two years during the final three months of 2018, another sign of a dampening economic growth ahead of Brexit. China's Purchasing Manager Index (PMI) contracted for the first time in 19 months in December. The PMI number of 49.7 indicated weaker-than-expected factory activity in the world's second-largest economy, which many economists believe will be headed for a slowdown this year. In the United States, Markit's U.S. PMI reading for December was revised down to 53.8, the lowest reading since September 2017. In Europe, eurozone manufacturing activity barely expanded at the end of 2018 in a broad-based slowdown. Despite rallying in the fourth quarter of last year, COMEX gold still ended 2018 down about 2%, weighed by sharp declines earlier in the year as the Federal Reserve raised rates without pause each quarter. SPDR Gold Trust, the world's largest gold-backed exchange-traded fund, said its holdings rose 0.97 percent to 795.31 tonnes on Wednesday from 787.67 tonnes on Monday. Technically market is under fresh buying as market has witnessed gain in open interest by 4.46% to settled at 13793 while prices up 179 rupees, now Gold is getting support at 31668 and below same could see a test of 31546 level, And resistance is now likely to be seen at 31925, a move above could see prices testing 32060.

Silver Market Update



Market View	
Open	39188.00
High	39540.00
Low	39162.00
Close	39501.00
Value Change	374.00
% Change	0.96
May-Mar	483.00
Jul-May	515.00
Volume	16659
Open Interest	18009
Cng in OI (%)	1.08

**Today's View & Outlook**  
**BUY SILVER MAR 2019 @ 39400 SL 39100 TGT 39680-39950.MCX**  
 Silver price succeeded to reach our waited target at 15.65 and settles near it, noticing that Stochastic continues to provide the positive signals, while the EMA50 keeps carrying the price from below. Therefore, these factors support the chances of breaching the mentioned level and extend the correctional bullish wave to reach 16.00, waiting for more rise in the upcoming sessions unless breaking 15.22 level and holding below it. Expected trading range for today is between 15.40 support and 15.80 resistance.

Silver on MCX settled up 0.96% at 39501 as dismal data on global factory activity pushed investors back from risk as markets began trading for 2019. Prices was also supported by expectations of lower interest rates in 2019. The case for lower global interest rates was boosted by a series of weaker than expected manufacturing reports. The US ISM manufacturing activity index fell to 54.1 in December, above the 50 mark that separates growth from contraction but well shy of the 59.3 in November and the expected 57.5. The index is now at the lowest since November 2016, with an 11-point slump in new orders to 51.1 and a 2-point slide in employment, to 56.2. Initial claims for state unemployment benefits rose 10,000 to a seasonally adjusted 231,000 for the week ended December 29, the Labor Department said. China's Markit Manufacturing Purchasing Managers' Index (PMI) for December dipped to 49.7 from 50.2 in November. Euro Zone Manufacturing PMI remained at its lowest level since February 2016, according to IHS Markit. The data also showed confidence about the future hit a fresh six-year low. In the U.S., the IHS Markit Manufacturing PMI slipped to a 15-month low in December. Coming into the new year, prices is being supported by expectations that the U.S. Federal Reserve will take a pause in its rate increases. Markets will also be looking for cues about interest rate hikes from a joint discussion between Federal Reserve Chairman Jerome Powell and former Fed chairs Janet Yellen and Ben Bernanke on Friday. Technically now Silver is getting support at 39262 and below same could see a test of 39023 level, And resistance is now likely to be seen at 39640, a move above could see prices testing 39779.

USDINR Update



Market View	
Open	70.3950
High	70.6975
Low	70.2025
Close	70.3200
Value Change	-0.0450
% Change	-0.06
Feb-Jan	0.22
Mar-Feb	0.17
Volume	2221087
Open Interest	1438103
Cng in OI (%)	0.77

Today's View & Outlook

SELL USDINR BELOW 70.35 SL ABV 70.48 TGT 70.18-70.05. (STBT)

USDINR settled down -0.06% at 70.32, technically market is under fresh selling as market has witnessed gain in open interest by 0.77% to settled at 1438103 while prices down -0.045 rupees, now USDINR is getting support at 70.1025 and below same could see a test of 69.905 level, And resistance is now likely to be seen at 70.5975, a move above could see prices testing 70.895.

Rupee traded in range on reports government may announce direct benefit transfer or DBT and interest free crop loans to farmers. Prices came under pressure after reports showed that the centre is likely to announce direct benefit transfers (DBT) worth Rs 4,000 per acre per season plus interest-free crop loans up to Rs 1 lakh per farmer in an instant two-fold relief to the farmers. Adding to this, the greenback surged against its major peers on Thursday, as risk sentiment remained fragile over heightened concerns over slowing global growth and a partial US government shutdown. India's infrastructure output grew at 3.5 percent in November from a year earlier, government data showed, its slowest pace in 16 months. During April-November, the output growth was 5.1 percent from the year-earlier period, according to the data. India's Finance Minister Arun Jaitley said on Thursday commercial banks were likely to recover 700 billion rupees (\$9.95 billion) of bad loans by the end of March, helped by resolution of 12 large cases. Some of the big cases such as Bhushan Power and Steel Ltd and Essar Steel India Ltd are in advanced stages of resolution, and are likely to be resolved in this financial year, Jaitley said. Lenders have so far recovered 800 billion rupees from the resolution of 66 cases, he added. Technically market is under fresh selling as market has witnessed gain in open interest by 0.88% to settled at 1439617, now USDINR is getting support at 70.1025 and below same could see a test of 69.905 level, And resistance is now likely to be seen at 70.5975, a move above could see prices testing 70.895.

## Bullion News

# International gold prices on Thursday hit their six-month peak as concerns of a global economic slowdown and volatility in the equity markets boosted the metal's demand among investors. Spot gold, the international benchmark for gold price, was seen trading at \$1,290.09 an ounce, the highest rate since 15 June 2018. Weakness in the US dollar and distressed stock markets across the globe have investors flocking towards the safe haven metal for refuge. The dollar index, a measure of the American currency against six prominent currencies fell by 0.3 percent. The Japanese yen, another preferred asset at the time of economic uncertainties surged against the US dollar.

# A prospective gold mine found near Bengaluru - Karnataka could yet again provide impetus to India's unfulfilled ambition of becoming a gold producer. The Geological Survey of India (GSI) has discovered a prospective gold mine in the village of Ajjanahalli, about 80 kilometres north-west of Bengaluru and part of a region that has been traditionally rich in gold veins. "Given that most of our existing mines are nearing exhaustion or already exhausted, fresh occurrence of gold is a reason to rejoice. Our exploration so far is encouraging enough for us to move onto the next stage..." said M Sridhar, additional director and head, southern region, GSI,

# Gold imports fell by 34% in 2018 - Gold jewellery sales in the state remained muted in 2018. Data provided by Ahmedabad Air Cargo Complex, indicate that imports of the yellow metal stood at 56.3MT in 2018. This was a decline of 34% from the 85.5 MT of gold imports in 2017. With prices of gold remaining on the higher side throughout the year, the demand for gold dipped significantly. Traders have also blamed the drop in demand on customers increasingly preferring exchange of old gold instead of making fresh purchases. Explaining the situation, Haresh Acharya, secretary, Bullion Federation of India, said, "The average gold price remained between Rs 31,000 and Rs 33,000 per 10 gram through most part of the year. This dampened festive season sales to a great extent, when healthy gold sales take place around auspicious muhurat days such as Akshaya Tritiya, Dussehra, Pushya Nakshatra and Dhanteras."

# Gems traders commend govt move to exempt Gold from IGST - Jewellery exporters have respected government's decision to exclude 3 per cent of IGST on Gold sourced from nominated agencies, effective January 1. The upfront payment of IGST and import duty in the form of bank guarantee had led to the huge working capital blockage for various small and medium jewellery exporters. In addition, it increased interest cost as well as hassles of compliance to claim refund, consequently impacting their business operations. After implementation of the GST and the levy of 3 per cent IGST on Gold, industry had requested for the exemption on supply of Gold by nominated agencies to exporters. Thereafter, the government, in October 2017, had exempted specified banks and public sector units from payment of IGST on import of Gold, but the same had not benefited jewellery exporters as they still had to bear the upfront payment of IGST/GST and the basic import duty to the tune of 10 per cent on procurement of Gold.

# Gold futures trade at a discount to spot rates - The inversion in the bullion market, where future contracts have been trading at a discount to spot gold prices this week, is due largely to speculation that New Delhi would reduce the import levy on the metal in the interim budget ahead of the general elections. The MCX active gold futures contract, which slipped into a discount to the spot gold price on Monday, factors in a likely 1 per cent reduction in the import duty. On Monday, MCX February 5 expiry contract witnessed a sudden, intraday fall of 0.85 per cent, or Rs 271, to Rs 31,300 per 10 gm. The gold import duty is 10 per cent. The GST on gold is 3 per cent, setting the effective tax at 13 per cent. The discounts have narrowed since Monday, when the rumours first surfaced, pointing to a likely return to normality in the markets. The futures closed at Rs 175/10 gm discount to the spot rate polled by MCX on Monday.

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