



Daily Market Update

Report as on Monday, November 05, 2018

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Physical gold demand in India was lacklustre this week, with dealers offering discounts for the metal ahead of a traditionally busy festival week for the first time in at least three years, as high prices kept consumers away. Prices in India, the second biggest gold consumer after China, held near 33,000 Indian rupees per 10 grams, the highest since September 2013, ahead of the Dhanteras and Diwali festivals next week, when buying gold is considered auspicious. The Indian currency has lost more than 12 percent of its value against the U.S. dollar so far in 2018, making purchases of commodities denominated in the greenback more expensive.

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Note ban, PNB fraud hit gold business: Zaveri Bazaar jewellers face challenging times - Even as the government is working to set up a domestic gold council to promote growth of the sector, jewellers and job workers at Zaveri Bazaar in Mumbai, the largest gold market in Asia, feel that high price of gold, contracting gems and jewellery exports, demonetisation and the Punjab National Bank (PNB) fraud involving diamantaires Nirav Modi and Mehul Choksi have severely hit the financial health of the sector. The country's gems and jewellery exports contracted by 8 per cent to about \$32.72 billion in 2017-18 owing to demand slowdown in major markets, including the US. The labour-intensive sector contributes about 14 per cent to the country's overall exports.

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Govt to set up domestic gold council to push exports of gold: Prabhu - The government is working to set up a 'Domestic Gold Council' to push exports of gold jewellery, said Suresh Prabhu, Commerce and Industry Minister. Speaking at the gold jewellery exhibition, Prabhu said "We are the largest consumer of gold and there are huge numbers of artisans. So, we have decided to set up 'Domestic Gold Council' which will have representations from all stakeholders including artisans, traders, miners and purifiers." He said the council would work in the direction of promoting the gold and jewellery industry. Further, he pointed "there are huge opportunities in the global market to push exports of gold jewellery."

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Gold Sought As Safe Haven Ahead Of U.S. Midterms - Standard Chartered says gold has reasserted its safe-haven status ahead of U.S. midterm elections next week and in response to October weakness in the stock market. Any further weakness in stocks would bode well for gold prices, the firm says. "Although the largest gold-buying festival is a major event in the gold calendar, demand leading up to Diwali [festival in India on Nov. 7] has been weaker than normal," Standard says. The bank looks for demand to firm, especially if prices in India trade near the key level of 30,000 rupees per 10 grams. "But external factors remain key and gold investors are likely to focus on macro events, ranging from non-farm payrolls [released Friday morning], the FOMC meeting [next week] and the U.S. midterm elections," Standard says.

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Will VAT Refund Increase Gold Demand in UAE? - Gold jewellery demand in the UAE fell six tonnes in third quarter, down 13 per cent year-on-year, but traders are upbeat of a recovery in the last quarter on the back of an impending VAT refund scheme for tourists. The latest market update from the World Gold Council said on Thursday the demand slump was also felt across the Middle East region as global demand for the yellow metal rose slightly in the third quarter to 964.3 tonnes, up from 958.1 tonnes in the same period a year ago. In the UAE, the gold jewellery market continued to feel the impact of the five per cent VAT. However, gold traders are expecting a big fillip when the UAE starts VAT refund to millions of tourists from November 18. The refund system will be initially available at Abu Dhabi, Dubai and Sharjah airports, and by year-end, it will be extended to 12 exit points, including the land borders and ports.

Date	Gold*	Silver*
01 Nov 2018 (Thursday)	31850.00	37875.00
31 Oct 2018 (Wednesday)	31880.00	37965.00
30 Oct 2018 (Tuesday)	31865.00	37950.00

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

01 Nov 2018 (Thursday)

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Outlook: Gold prices were steady as the dollar eased, while investors are tuned in to the U.S. congressional elections. For the day prices a drop towards 31720-31700 will look to buy with a stoploss of below 31600 expecting prices to jump towards 31880-31980 level.

MCX GOLD

Market View	Daily Levels	
Open	31821.00	Resistance
High	31835.00	32091.00
Low	31600.00	31963.00
Close	31750.00	31856.00
Value Change	-142.00	31621.00
% Change	-0.45	31493.00
Margin	5.00	31386.00
Margin (Rs.)	158750	Support
Volume	12463.00	
Open Interest	11261.00	Spread
Cng in OI (%)	-15.88	FEB - DEC
Prev Value(Mln)	39498.82	249.00
52 Week High	32311.00	APR - FEB
52 Week Low	29500.00	236.00

Gold on MCX settled down -0.45% at 31750 as the U.S. dollar regained some ground on the back of strong American jobs data. The U.S. Federal Reserve has raised interest rates three times this year and is widely expected to raise rates again in December. Attention is now turning to the U.S. congressional elections on Nov. 6, which will determine whether the Republican or Democratic party controls Congress, with some predicting increased market volatility on the outcome. Holdings in SPDR Gold Trust, the world's largest gold-backed exchange-traded fund, rose to their highest since late August on Thursday. Physical gold demand in India was lacklustre, with dealers offering discounts for the metal ahead of a traditionally busy festival week for the first time in at least three years, as high prices kept consumers away. Prices in India, held near 33,000 Indian rupees per 10 grams, the highest since September 2013, ahead of the Dhanteras and Diwali festivals, when buying gold is considered auspicious. Dealers in India were offering a discount of up to \$7 an ounce over official domestic prices this week, unchanged from last week and the highest since mid-June. In top consumer China, premiums were slightly higher at \$4-\$7 per ounce versus \$4-\$6 last week, while premiums in Hong Kong were seen at 70 cents-\$1.50 as against 70 cents-\$1.20 earlier. Hedge funds and money managers raised their net short positions in Comex gold and silver contracts in the week to Oct. 30, the U.S. Commodity Futures Trading Commission said. Technically now Gold is getting support at 31621 and below same could see a test of 31493 level, And resistance is now likely to be seen at 31856, a move above could see prices testing 31963.

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INT. GOLD\$		
Market View		Daily Levels
Open	1233.38	Resistance
High	1236.00	1241.68
Low	1230.11	1238.84
Close	1232.74	1235.79
Value Change	-0.17	1229.90
% Change	0.00	1227.06
		1224.01
		Support
		1227.20
		1222.40

Outlook: Gold price provided sideways trading today and kept its stability below 1238.30, and stochastic shows negative signals that reinforce the expectations of continuing the recently suggested negative scenario, which its main target located at 1208.40, while achieving it conditions holding below 1238.30.

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USDINR technically market is under fresh selling as market has witnessed gain in open interest by 8.51% to settled at 2038532, now USDINR is getting support at 72.36 and below same could see a test of 72.075 level, And resistance is now likely to be seen at 73.18, a move above could see prices testing 73.715.

USDINR		
Market View		Daily Levels
Open	73.3950	Resistance
High	73.4300	74.00
Low	72.6100	73.72
Close	72.6450	73.18
Value Change	-1.0375	72.36
% Change	-1.41	72.08
Margin	2.51	71.54
Margin (Rs.)	1823	Support
Volume	3278233	
Open Interest	2084437	Spread
Cng in OI (%)	8.51	DEC - NOV
Prev Value(Mln)	239170.85	0.2675
52 Week High	74.9800	JAN - DEC
52 Week Low	64.7000	0.2425

Rupee gained on selling by foreign banks and exporters amid likely overseas fund inflows into local stocks. The Reserve Bank of India (RBI) sought to ease a massive credit crunch affecting non-banking finance companies (NBFCs) by allowing banks to act as partial guarantors for some of their existing debt which should make it easier to refinance. The RBI said banks could now provide partial credit enhancement to refinance bonds issued by NBFCs and housing finance companies (HFCs) with tenors of not less than three years. Until now, banks were not allowed to provide credit enhancement to NBFCs. Indian manufacturers defied expectations for a slowdown and expanded activity at the fastest pace in four months in October, boosted by increasing new orders, a private survey showed. The Nikkei/IHS Markit Services Purchasing Managers' Index rose to 53.1 last month from 52.2 in September, its highest since June. It has been above the 50-mark that separates growth from contraction for 15 months. The Nikkei/IHS Markit Services Purchasing Managers' Index rose to 53.1 last month from 52.2 in September, its highest since June. It has been above the 50-mark that separates growth from contraction for 15 months. The survey also showed both output and input prices rose at a slower pace. Combined with a decline in oil prices over the past month that will likely keep retail inflation below the Reserve Bank of India's medium term target of 4 percent for a third consecutive month in October. Technically now USDINR is getting support at 72.37 and below same could see a test of 72.08 level, And resistance is now likely to be seen at 73.19, a move above could see prices testing 73.72.

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Gold Spot 995

Exch.	Descr.	Last*
CMDTY	Gold 995 - Ahmedabad	32660.00
CMDTY	Gold 995 - Bangalore	32650.00
CMDTY	Gold 995 - Chennai	32660.00
CMDTY	Gold 995 - Cochin	32660.00
CMDTY	Gold 995 - Delhi	32650.00
CMDTY	Gold 995 - Hyderabad	32630.00
CMDTY	Gold 995 - Jaipur	32625.00
CMDTY	Gold 995 - Kolkata	32690.00
CMDTY	Gold 995 - Mumbai	32625.00

* Rates including GST

Silver Spot 999

Exch.	Descr.	Last*
CMDTY	Silver 999 - Ahmedabad	39500.00
CMDTY	Silver 999 - Bangalore	39490.00
CMDTY	Silver 999 - Chennai	39475.00
CMDTY	Silver 999 - Delhi	39550.00
CMDTY	Silver 999 - Hyderabad	39500.00
CMDTY	Silver 999 - Jaipur	39550.00
CMDTY	Silver 999 - Kolkata	39750.00
CMDTY	Silver 999 - Mumbai	39650.00

* Rates including GST

Bullion Futures on DGCX

Exch.	Descr.	Last
DGCX	GOLD 28NOV2018	1235.00
DGCX	GOLD 29JAN2019	1242.40
DGCX	GOLD QUANTO 29NOV2018	31701.00
DGCX	GOLD QUANTO 30JAN2019	31878.00
DGCX	SILVER 28NOV2018	14.81
DGCX	SILVER 26FEB2019	14.81
DGCX	SILVER QUANTO 29NOV2018	41189.00

Gold Spot 999

Exch.	Descr.	Last*
CMDTY	Gold 999 - Ahmedabad	32790.00
CMDTY	Gold 999 - Bangalore	32800.00
CMDTY	Gold 999 - Chennai	32810.00
CMDTY	Gold 999 - Cochin	32810.00
CMDTY	Gold 999 - Delhi	32800.00
CMDTY	Gold 999 - Hyderabad	32780.00
CMDTY	Gold 999 - Jaipur	32745.00
CMDTY	Gold 999 - Mumbai	32775.00

* Rates including GST

Bullion Futures on MCX

Exch.	Descr.	Last
MCX	GOLD 04AUG2017	31750.00
MCX	GOLD 05OCT2017	31999.00
MCX	GOLD 05DEC2017	32235.00
MCX	SILVER 05JUL2017	38620.00
MCX	SILVER 05SEP2017	39494.00
MCX	SILVER 05DEC2017	40066.00

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	83.73
MCX	MCX GOLD SILVER RATIO	82.21

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