



IBJA Market Update

Daily Market Update

Report as on Thursday, July 06, 2017

Polled Premium/Discount for 995 gold in Ahmedabad 2.00 USD/troy oz on July 05, 2017.

Gold prices pushed lower in yesterday's morning session as strengthening dollar and rising US bond yield while prices recovered in late session getting a boost as downbeat US economic data and North Korea's ballistic-missile test drew investor interest to the precious metal. Fed policymakers were increasingly split on the outlook for inflation and how it might impact the future pace of interest rate rises.

Holdings at the SPDR Gold Trust fell 0.66 percent to 840.67 tonnes on Wednesday from 846.29 tonnes on Monday. Gold is losing its luster with investors in exchange-traded funds. But an active asset management firm is betting it can bring back that shine using popular smart beta strategies. While the iShares Silver Trust and ETFS Physical Silver Shares are each up about 4% YTD. Some commodities market observers see silver as attractively valued right now, a scenario that could set the stage for the white metal to rally in the second half of the year.

China's safe-haven buying - After shying away from the gold market at the end of 2016 and the initial few months of 2017, Chinese consumers are back in the gold-buying game. China's investment demand was robust in 1Q17 with sales of bars increasing more than 60.0%. China's government is coming down heavily on the financial leverage in the system. That has led to concerns about currency risks and the property market outlook. The Chinese Gold and Silver Exchange Society suggests that China's gold imports from Hong Kong might increase about 50.0% this year. It could take the purchases from Hong Kong to the highest level since 2013.

Jewellery demand has rebounded sharply in the last two quarters while easing liquidity pressures, fading impact of demonetisation, extended wedding season, better farm output and rising income levels have supported growth. According to Icara, improved organised trade with rapid formalisation of the sector and better financing environment with enhanced access to gold metal loans are also likely to aid credit profile of organised retailers. Icara expects the industry to record a 6-8% growth with demand being supported by cultural underpinnings, evolving lifestyle, growing disposable income and favourable demographic profile. Demand for gold jewellery demand is expected to grow by 6% in terms of volumes and 9% in values in 2017.

WGC's take on GST and gold demand - The World Gold Council issued a report in June highlighting the potential impact of the GST on India's gold demand. It believes that while GST might have a negative impact in the short term as the industry goes through a period of adjustment, the net impact in the long term is likely to be positive. It believes that GST should eliminate double taxation and improve the efficiency in supply chains. WGC expects India's demand for gold to be 650-750 tons in 2017 and rise to 850-950 tons by 2020.

Date	Gold	Silver
05 Jul 2017 (Wednesday)	28240.00	37350.00
04 Jul 2017 (Tuesday)	28285.00	37630.00
03 Jul 2017 (Monday)	28485.00	38660.00

* The above rate are IBJA PM rates

05 Jul 2017 (Wednesday)

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Outlook: Gold should recover today as yesterday Fed minutes showed a growing split among policymakers on the inflation outlook and the dollar pared gains, for today one should go long near to 28100 level with stoploss below 28000 level for a jump till 28350 level.

Market View		Daily Levels	
Open	28170.00	Resistance	
High	28191.00	28383.00	
Low	28005.00	28287.00	
Close	28107.00	28197.00	
Value Change	-8.00	28011.00	
% Change	-0.03	27915.00	
Margin	5.00	27825.00	
Margin (Rs.)	140535	Support	
Volume	11925.00		
Open Interest	6353.00	Spread	
Cng in OI (%)	1.32	OCT - AUG	
Prev Value(Mln)	33513.68	162.00	
52 Week High	32011.00	DEC - OCT	
52 Week Low	28005.00	159.00	

Gold on MCX settled down -0.03% at 28107 but bounced off from the session lows after both the dollar and US 10-Year eased, following the release of downbeat economic data, fueling concerns about the pace of US economic growth. As expected, policy members are leaning toward starting their balance sheet reduction plan in September, likely followed by one more rate hike at the end of the year. As Inflation on a 12-month basis was expected to remain somewhat below 2 percent in the near term, but almost all members expected it to stabilize around 2% over the medium term. In other economic news, new orders for US manufactured goods fell by more than expected in the month of May, according to a report released by the Commerce Department on Wednesday. Also Factory orders slumped by 0.8 percent to \$464.9 billion in May after falling by a revised 0.3% in April. Gold prices also found support after North Korea successfully test-launched an intercontinental ballistic missile, claiming a major advance in its attempt to threaten the U.S. with a nuclear-tipped weapon. And the U.S. said it is ready to act accordingly, if provoked. Meanwhile the World Gold Council issued a report in June highlighting the potential impact of the GST on India's gold demand. It believes that while GST might have a negative impact in the short term as the industry goes through a period of adjustment, the net impact in the long term is likely to be positive. It believes that GST should eliminate double taxation and improve the efficiency in supply chains. WGC expects India's demand for gold to be 650–750 tons in 2017 and rise to 850–950 tons by 2020. Technically market is getting support at 28011 and below same could see a test of 27915 level, And resistance is now likely to be seen at 28197, a move above could see prices testing 28287.

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Gold Spot 995

Exch.	Descr.	Last
CMDTY	Gold 995 - Ahemdabad	28930.00
CMDTY	Gold 995 - Bangalore	28925.00
CMDTY	Gold 995 - Chennai	28910.00
CMDTY	Gold 995 - Cochin	28940.00
CMDTY	Gold 995 - Delhi	28940.00
CMDTY	Gold 995 - Hyderabad	28895.00
CMDTY	Gold 995 - Jaipur	28920.00
CMDTY	Gold 995 - Kolkata	29000.00
CMDTY	Gold 995 - Mumbai	28890.00

Silver Spot 999

Exch.	Descr.	Last
CMDTY	Silver 999 - Ahemdabad	37125.00
CMDTY	Silver 999 - Bangalore	38330.00
CMDTY	Silver 999 - Chennai	38350.00
CMDTY	Silver 999 - Delhi	38350.00
CMDTY	Silver 999 - Hyderabad	38430.00
CMDTY	Silver 999 - Jaipur	38385.00
CMDTY	Silver 999 - Kolkata	38800.00
CMDTY	Silver 999 - Mumbai	38265.00

Bullion Futures on DGCX

Exch.	Descr.	Last
DGCX	GOLD 27JUL2017	1225.20
DGCX	GOLD 27SEP2017	1227.80
DGCX	GOLD QUANTO 28JUL2017	28107.00
DGCX	GOLD QUANTO 28SEP2017	28224.00
DGCX	SILVER 29AUG2017	15.92
DGCX	SILVER 28NOV2017	16.04
DGCX	SILVER QUANTO 30AUG2017	37255.00
DGCX	SILVER QUANTO 29NOV2017	37939.00

Gold Spot 999

Exch.	Descr.	Last
CMDTY	Gold 999 - Ahemdabad	29050.00
CMDTY	Gold 999 - Bangalore	29075.00
CMDTY	Gold 999 - Chennai	29060.00
CMDTY	Gold 999 - Cochin	29090.00
CMDTY	Gold 999 - Delhi	29030.00
CMDTY	Gold 999 - Hyderabad	29045.00
CMDTY	Gold 999 - Jaipur	29040.00
CMDTY	Gold 999 - Mumbai	29040.00

Bullion Futures on MCX

Exch.	Descr.	Last
MCX	GOLD 04AUG2017	28107.00
MCX	GOLD 05OCT2017	28269.00
MCX	GOLD 05DEC2017	28428.00
MCX	SILVER 05JUL2017	
MCX	SILVER 05SEP2017	37342.00
MCX	SILVER 05DEC2017	38026.00

Gold and Silver Fix

Exch.	Descr.	Last
CMDTY	Gold London AM FIX (US DOLLARS PER TROY OUNCE)	1221.90
CMDTY	Gold London PM FIX (US DOLLARS PER TROY OUNCE)	1220.30
CMDTY	Silver London FIX (US DOLLARS PER TROY OUNCE)	1221.90

Gold / Silver Ratio

Exch.	Descr.	Last
INTL.SPOT	GOLD SILVER RATIO	76.39
MCX	MCX GOLD SILVER RATIO	#VALUE!

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