



## IBJA Market Update

### Daily Market Update

Report as on Wednesday, December 06, 2017

# **Polled Premium/Discount for 995 gold in Ahmedabad 1.00 USD/troy oz on December 05, 2017**

# Gold dropped to their lowest in four months down \$12.80 at \$1265.10 an ounce amid universal expectations the Federal Reserve will raise interest rates in December. Recent hawkish comments from Fed official hint at three more rate hikes in 2018 as long as inflation is stable. The Fed meets December 12-13 to announce its latest policy decision. The Commerce Department released a report on Tuesday showing the U.S. trade deficit widened more than expected in the month of October.

# Trade policy to focus on MSMEs, labour heavy fields - To push exports, commerce minister Suresh Prabhu on Tuesday announced more incentives in the mid-term review of the Foreign Trade Policy 2015-20 including 2 per cent hike in MEIS incentive across the board for labour intensive sectors. This will result in additional annual incentive of Rs 4,567 crore to the exporters. Issue of gold availability for exporters has been resolved by allowing Specified Nominated Agencies to import gold without payment of IGST, said the ministry. Support to Export Credit Guarantee Corp is also being enhanced to increase insurance cover to exporters particularly MSMEs exploring new or difficult markets.

# Steep falls in gold bonding wire demand reduced: WGC - Steep falls in demand for gold bonding wire in the electronics industry seen in recent years have begun to level off as observed in the third quarter (Q3) of 2017, a World Gold Council report said on Tuesday. According to the report, from 2005 to 2011, the price of gold quadrupled which put microchip manufacturers under considerable pressure to limit the amount of gold used in their devices. "The industry focussed on identifying materials suitable to replace gold entirely. Whilst this has had some effect on electroplated coatings, its impact has been most marked in the bonding wire market," said the report titled "Technology: a brighter outlook?"

# Don't Expect Fireworks for Gold in 2018, Just a Gentle Nudge Up - Gold has its fans for next year, but sparks are probably not going to fly. Even as the Federal Reserve tightens monetary policy and the ECB tapers bond purchases, gold is set to rise marginally as real interest rates stay low and the dollar weakens, according to Bart Melek, global head of commodity strategy at TD Securities Inc. in Toronto. He sees bullion averaging \$1,313 an ounce in 2018, about 4 percent more than the mean so far this year.

# In a first, India plans to have gold sourcing standards for refiners - Recognised as Indian responsible mineral sourcing guidelines which help cultivate transparent mineral supply chains and sustainable corporate engagement in the mineral sector. India is in the process of implementing sourcing standard for gold refiners, drawn from the guidelines set out by the OECD. These standards, to be recognised as Indian responsible mineral sourcing guidelines, will help cultivate transparent mineral supply chains and sustainable corporate engagement in the mineral sector. The norms specify the precious metal imported are not from mines that use child labour, are not in conflict zones or high-risk areas, are not done via indirect or direct funding from terrorist organisation or do not lead to human rights violation.

Date	Gold*	Silver*
05 Dec 2017 (Tuesday)	29245.00	37710.00
04 Dec 2017 (Monday)	29215.00	37730.00
30 Nov 2017 (Thursday)	29400.00	38070.00

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

05 Dec 2017 (Tuesday)

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Market View		Daily Levels
Open	29125.00	<b>Resistance</b>
High	29179.00	29419.00
Low	28853.00	29299.00
Close	28887.00	29093.00
Value Change	-246.00	28767.00
% Change	-0.84	28647.00
Margin	5.00	28441.00
Margin (Rs.)	144435	<b>Support</b>
Volume	8432.00	
Open Interest	6392.00	<b>Spread</b>
Cng in OI (%)	9.08	<b>APR - FEB</b>
Prev Value(Mln)	24494.33	59.00
52 Week High	30690.00	<b>JUN - APR</b>
52 Week Low	28290.00	269.00

Outlook: Gold dropped as the dollar rose and U.S. stocks rebounded as investors assessed details of the U.S. tax overhaul legislation. For the day prices a jump towards 29050-29100 level will look to sell with a stoploss of above 29250 expecting prices to drop towards 28920-29750 level.

Gold dropped to their lowest in four months down \$12.80 at \$1265.10 an ounce amid universal expectations the Federal Reserve will raise interest rates in December. Recent hawkish comments from Fed official hint at three more rate hikes in 2018 as long as inflation is stable. The Fed meets December 12-13 to announce its latest policy decision. The Commerce Department released a report on Tuesday showing the U.S. trade deficit widened more than expected in the month of October. Investors are also looking ahead to the upcoming U.S. nonfarm payrolls report later this week, which would be the last employment report before the Federal Reserve's monetary policy meeting next week. The U.S. central bank is scheduled to hold its final policy meeting of the year on Dec. 12-13, with interest rate futures pricing in a 100% chance of a rate hike at that meeting. However, markets appeared doubtful over the central bank's ability to raise rates as much as it would like next year due to concern over the sluggish inflation outlook. Meanwhile, tax reform legislation will remain on the agenda, as Congress works to push through a bill that could give President Donald Trump his first major legislative accomplishment of his presidency. Republicans hope to reach a deal by Christmas. The Trump administration has said its tax cuts will generate growth and spark inflation, which investors hope will prompt a faster pace of monetary tightening by the Fed. Friday's deadline on a possible government shutdown will also be on investors' minds. Technically market is getting support at 1261.80 and below same could see a test of 1256.50 level, And resistance is now likely to be seen at 1267.40 a move above could see prices testing 1270.80.

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## Gold Spot 995

Exch.	Descr.	Last*
CMDTY	Gold 995 - Ahemdabad	29945.00
CMDTY	Gold 995 - Bangalore	29950.00
CMDTY	Gold 995 - Chennai	29985.00
CMDTY	Gold 995 - Cochin	30000.00
CMDTY	Gold 995 - Delhi	29975.00
CMDTY	Gold 995 - Hyderabad	29940.00
CMDTY	Gold 995 - Jaipur	29975.00
CMDTY	Gold 995 - Kolkata	30020.00
CMDTY	Gold 995 - Mumbai	29975.00

\* Rates including GST

## Silver Spot 999

Exch.	Descr.	Last*
CMDTY	Silver 999 - Ahemdabad	38450.00
CMDTY	Silver 999 - Bangalore	38795.00
CMDTY	Silver 999 - Chennai	38775.00
CMDTY	Silver 999 - Delhi	38800.00
CMDTY	Silver 999 - Hyderabad	38785.00
CMDTY	Silver 999 - Jaipur	38785.00
CMDTY	Silver 999 - Kolkata	39000.00
CMDTY	Silver 999 - Mumbai	38750.00

\* Rates including GST

## Bullion Futures on DGCX

Exch.	Descr.	Last
DGCX	GOLD 29JAN2018	1268.00
DGCX	GOLD 27MAR2018	1271.90
DGCX	GOLD QUANTO 30JAN2018	28913.00
DGCX	GOLD QUANTO 28MAR2018	29307.00
DGCX	SILVER 26FEB2018	16.10
DGCX	SILVER 26APR2018	16.39
DGCX	SILVER QUANTO 27FEB2018	37548.00
DGCX	SILVER QUANTO 27APR2018	38059.00

## Gold Spot 999

Exch.	Descr.	Last*
CMDTY	Gold 999 - Ahemdabad	30075.00
CMDTY	Gold 999 - Bangalore	30100.00
CMDTY	Gold 999 - Chennai	30135.00
CMDTY	Gold 999 - Cochin	30150.00
CMDTY	Gold 999 - Delhi	30125.00
CMDTY	Gold 999 - Hyderabad	30090.00
CMDTY	Gold 999 - Jaipur	30095.00
CMDTY	Gold 999 - Mumbai	30125.00

\* Rates including GST

## Bullion Futures on MCX

Exch.	Descr.	Last
MCX	GOLD 04AUG2017	28887.00
MCX	GOLD 05OCT2017	28946.00
MCX	GOLD 05DEC2017	29215.00
MCX	SILVER 05JUL2017	37623.00
MCX	SILVER 05SEP2017	38142.00
MCX	SILVER 05DEC2017	39007.00

## Gold and Silver Fix

Exch.	Descr.	Last
CMDTY	Gold London AM FIX	1275.90
CMDTY	Gold London PM FIX	1266.30
CMDTY	Silver London FIX	16.28

## Gold / Silver Ratio

Exch.	Descr.	Last
INTL. SPOT	GOLD SILVER RATIO	78.70
MCX	MCX GOLD SILVER RATIO	76.78

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Report is prepared for information purposes only.

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