



Daily Bullion Physical Market Report

Report as on Thursday, December 06, 2018

	Important Resistance for MCX Gold Where Physical Player can look to fix his Sell Price	31200 31248	Important Support for MCX Gold Where Physical Player can look to fix his Buying Price	30950 30902
	Important Resistance for Rupee Where Exporter can look to book his today's receivable	71.01 71.10	Important Support for Rupee Where Importer can look to book his today's payment	70.57 70.48

Gold Spot 995			Gold Spot 999		
Exch.	Descr.	LTP*	Exch.	Descr.	LTP*
CMDTY	Gold 995 - Ahmedabad	31800.00	CMDTY	Gold 999 - Ahmedabad	31930
CMDTY	Gold 995 - Bangalore	31765.00	CMDTY	Gold 999 - Bangalore	31915
CMDTY	Gold 995 - Chennai	31775.00	CMDTY	Gold 999 - Chennai	31925
CMDTY	Gold 995 - Cochin	31795.00	CMDTY	Gold 999 - Cochin	31945
CMDTY	Gold 995 - Delhi	31790.00	CMDTY	Gold 999 - Delhi	31940
CMDTY	Gold 995 - Hyderabad	31770.00	CMDTY	Gold 999 - Hyderabad	31920
CMDTY	Gold 995 - Jaipur	31795.00	CMDTY	Gold 999 - Jaipur	31915
CMDTY	Gold 995 - Mumbai	31800.00	CMDTY	Gold 999 - Mumbai	31950

* Rates including GST

Silver Spot 999	
Descr.	LTP*
Silver 999 - Ahmedabad	37500.00
Silver 999 - Bangalore	37535.00
Silver 999 - Chennai	37520.00
Silver 999 - Delhi	37540.00
Silver 999 - Hyderabad	37570.00
Silver 999 - Jaipur	37550.00
Silver 999 - Kolkata	37750.00
Silver 999 - Mumbai	37580.00

* Rates including GST

Gold Ratios
Gold Silver Ratio
83.03
Gold Crude Ratio
8.17

Bullion Futures on DGCX		
Exch.	Descr.	LTP
DGCX	GOLD 29JAN2019	1244.90
DGCX	GOLD QUANTO 30JAN2019	31008.00
DGCX	SILVER 26FEB2019	14.58
DGCX	0	0.00
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*
05 Dec 2018 (Wednesday)	31020.00	36450.00
04 Dec 2018 (Tuesday)	31080.00	36670.00
03 Dec 2018 (Monday)	30805.00	36185.00

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

05 Dec 2018 (Wednesday)

Gold Market Update



Market View	
Open	31001.00
High	31089.00
Low	30885.00
Close	31075.00
Value Change	-31.00
% Change	-0.10
Apr-Feb	141.00
Jun-Apr	300.00
Volume	7228
Open Interest	13282
Cng in OI (%)	0.45

Today's View & Outlook

BUY GOLD FEB 2019 @ 31000 SL 30820 TGT 31180-31350.MCX

Gold price shows new test to 1238.30 level, which urges caution from the upcoming trading, especially the daily close according to this level, as breaching it will stop today's suggested negative scenario and lead the price to rally towards 1262.51 mainly, while holding below the mentioned resistance will push the price towards 1218.40 on the near term basis.

Gold on MCX settled down -0.1% at 31075 on expectations of more interest rate hikes following remarks from a U.S. Federal Reserve official and as some investors booked profits after prices hit their highest in more than five weeks. One of the most influential Federal Reserve policymakers said he expects further interest rate hikes continuing next year since the U.S. economy is "in really good shape," reinforcing the Fed's upbeat tone in the face of growing doubts in financial markets. U.S. President Donald Trump held out the possibility of an extension of the 90-day trade truce with China, but warned he would revert to tariffs if the two sides could not resolve their differences. British Prime Minister Theresa May suffered embarrassing defeats at the start of five days of debate over her plans to leave the European Union that could determine the future of Brexit and the fate of her government. U.S. delivered Russia a 60-day ultimatum to come clean about what Washington says is a violation of an arms control treaty that keeps missiles out of Europe, saying only Moscow could save the pact. Senior U.S. senators said they were more certain than ever that Saudi Arabia's crown prince, Mohammed bin Salman, was responsible for the killing of journalist Jamal Khashoggi after receiving a CIA briefing on the matter. Investors kept a close eye on signals on the future path of interest rates next year by the U.S. Federal Reserve, with the central bank widely expected to raise rates at its policy meeting on Dec. 18-19. Technically now Gold is getting support at 30943 and below same could see a test of 30812 level, And resistance is now likely to be seen at 31147, a move above could see prices testing 31220.

Silver Market Update



Market View	
Open	37250.00
High	37460.00
Low	37100.00
Close	37426.00
Value Change	-55.00
% Change	-0.15
May-Mar	471.00
Jul-May	971.00
Volume	9927
Open Interest	22926
Cng in OI (%)	1.58

Today's View & Outlook

BUY SILVER MAR 2019 @ 37200 SL 37000 TGT 37560-37850.MCX

Silver price shows weak trades since morning and settles around 14.45, and as long as the price is below 14.75, we may see bearish view will continuous remain valid for the upcoming period, reminding you that our main waited target is located at 14.30. Expected trading range for today is between 14.25 support and 14.75 resistance.

Silver dropped with investors looking ahead to the Federal Reserve's Beige Book for further indications on the health of the U.S. economy. Fed Chairman Jerome Powell said U.S. interest rates were nearing neutral levels, which markets interpreted that the central bank would slowdown the pace of rate hikes. However, New York Fed President John Williams said the central bank should expect to continue raising interest rates "over the next year or so" even while it pays close attention to possible risks highlighted by financial markets. China expressed confidence on Wednesday that it can reach a trade deal with the United States, a sentiment echoed by U.S. President Donald Trump a day after he warned of more tariffs if the two sides could not resolve their differences. The plunge in U.S. stocks came after top White House economic adviser Larry Kudlow backtracked from U.S. President Donald Trump's announcement that Beijing had agreed to reduce tariffs on U.S.-made cars. The dollar rose to the highest levels of the year in early November boosted by expectations for a faster pace of rate hikes by the Federal Reserve as the U.S. economy remained robust. But the U.S. currency has come under pressure since comments by Federal Reserve Chairman Jerome Powell last week were interpreted by markets as an indication that the central bank could slow its program of rate hikes. The Fed is widely expected to raise rates at its upcoming Dec. 18-19 meeting and has indicated that it could raise rates three times in 2019, but markets are currently pricing in just one rate hike next year. Technically now Silver is getting support at 37198 and below same could see a test of 36969 level, And resistance is now likely to be seen at 37558, a move above could see prices testing 37689.

USDINR Update



Market View	
Open	70.8200
High	70.9250
Low	70.5425
Close	70.6625
Value Change	-0.0225
% Change	-0.03
Jan-Dec	0.23
Feb-Jan	0.21
Volume	1859230
Open Interest	1411703
Cng in OI (%)	0.08

Today's View & Outlook
 BUY USDINR ABV 70.65 SL BELOW 70.45 TGT 70.80-70.94. (BTST)
 Rupee gained slightly after the Reserve Bank of India kept its benchmark repo rate unchanged at 6.50% while reducing its inflation target for H2 2019. Technically now USDINR is getting support at 70.475 and below same could see a test of 70.3175 level, And resistance is now likely to be seen at 70.8575, a move above could see prices testing 71.0825.

Rupee gained slightly after the Reserve Bank of India kept its benchmark repo rate unchanged at 6.50% while reducing its inflation target for H2 2019. The Reserve Bank of India (RBI) kept interest rates unchanged at a policy meeting to offer support for an economy that has lost some momentum, in a decision that was widely expected as inflation has eased significantly. The monetary policy committee (MPC) kept the repo rate unchanged at 6.50 percent as predicted. The central bank also retained its 'calibrated tightening' stance as expected. The central bank said starting in the January-March quarter of 2019 it would begin to lower banks' mandatory bond holding ratios by 25 basis points each quarter until it reaches 18 percent of deposits, in a move aimed to push banks to lend more. India's growth in the July-to-September quarter "seems disappointing," Economic Affairs Secretary Subhash Chandra Garg said. Earlier, government data showed that Asia's third-largest economy grew a lower-than-expected 7.1 percent in the quarter on an annualised basis, from a more than two-year high of 8.2 percent in the previous quarter. India's economic growth fell to a worse-than-expected 7.1 percent in the July-September quarter, dragged down by a slower consumer spending and farm growth, in a setback for Prime Minister Narendra Modi who faces a national election by May. India's April-October fiscal deficit stood at 6.49 trillion rupees (\$93.23 billion), or 103.9 percent of the budgeted target for current fiscal year, government data showed. Technically now USDINR is getting support at 70.475 and below same could see a test of 70.3175 level, And resistance is now likely to be seen at 70.8575, a move above could see prices testing 71.0825.

Bullion News

Gold prices gained amid thin volumes on Wednesday, as the dollar gained some ground against major currencies, ahead of the release of the Beige Book. The Beige Book will throw light on current economic conditions in the twelve Fed districts. Investors also look ahead to the monthly jobs data, due later in the week. The dollar index, after declining to around 96.76 earlier in the session, recovered to move past 97.15 subsequently, before retreating to 96.90, up slightly from previous close. The dollar was somewhat steady today after the Chinese Commerce Ministry said that the weekend meeting between U.S. President Donald Trump and Chinese Prime Minister Xi Jinping was very successful and the working groups of the two states will actively hold consultations for 90 days in accordance with the agreement and the road map.

Renewed Demand In China And India To Support Gold Prices In 2019 - Renewed interest in gold in two important markets will help reverse the precious metal's fortunes in 2019, according to one Dutch Bank. Georgette Boele, coordinator of FX and precious metals strategy at ABN AMRO, said in a report Wednesday that they are bullish on gold and silver next year as they see renewed interest in the precious metals from emerging markets, specifically India and China. Looking at 2019, the Dutch bank sees gold prices averaging the year at \$1,325 an ounce, hitting a high of \$1,400 an ounce by December. The bank is also bullish on silver as it sees prices averaging the year at \$16.60 an ounce and rising to \$18 an ounce by the end of 2019. The comments come as gold prices trade near a one-month high. February gold futures last traded at \$1,243.80 an ounce.

Physical gold buying to remain 'solid' in 2019 – WGC - The WGC expects the key factors that drove gold pricing in the second half of this year to continue to hold sway over the market in 2019. WGC chief market strategist John Reade said in a statement issued on Wednesday that the gold price had generally trended down from mid-April to date, hitting a low of around \$1160/oz in mid-August, as the dollar strengthened. The US Federal Reserve continued to hike interest rates steadily, while other central banks had kept policy accommodative. The US economy was lifted by the tax cuts announced by President Donald Trump and bullish investor sentiment pushed US stocks higher, at least until the start of October. Reade pointed out that, as risk in emerging economies started to spill over to developed markets, global stocks sold off, led by US tech companies, resulting in short-covering in gold and its price rising comfortably above \$1 200/oz.

Gold poses a challenge - Gold price has risen underpinned by safe haven demand triggered by political uncertainty in some geographies, though a strong dollar may stem the rise. The inflation scenario has remained broadly unchanged in the US and the Euro area. In many key EMEs, however, inflation has risen, though the recent retreat in energy prices, tightening of policy stances by central banks and stabilising of currencies may have a salutary impact, going forward.

GJEPC struggling to retain industry credit limit - THE GJEPC said it was struggling to retain the credit limit for the industry. The gems and jewellery sector has already seen a credit squeeze after banks imposed extra cautionary measures in the aftermath of the USD 2-billion PNB fraud case. "We will be happy if the current total credit limit for the sector is retained at about Rs 60,000 crore for 2019-20 given the circumstances," GJEPC executive director Sabyasachi Ray said. "GJEPC is urging to offer the credit in dollar terms as at least 80 per cent of our credit is used to import diamond and gold meant for exports," he said. Ray said the industry was also facing credit crunch with the banking system not disbursing the 'standby credit,' despite the sector losing 10-15 per cent of its limit due to depreciation of the rupee. In the last six months, the Indian currency has depreciated by 15 per cent, he said.

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Kedia Stocks & Commodities Research Pvt Ltd.

Mumbai. INDIA. Mobile: 9320096333 / 9619551030 Email: info@kediacommodity.com URL: www.kediaadvisory.com

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