



## IBJA Market Update

### Daily Market Update

Report as on Monday, July 09, 2018

# Gold prices slid on Friday but still managed to post a weekly gain, as the dollar weakened. The dollar slid lower against a currency basket on Friday after data showing that while the U.S. economy created more jobs than expected in June, wage growth rose at a slower than expected pace and the unemployment rate ticked higher. The U.S. dollar index, was down 0.39% to 93.76 late Friday. For the week, the dollar was down 0.61%. The dollar had already come under pressure earlier in the day after the U.S. and China imposed tariffs on each other's imports, escalating a trade spat that many investors fear will hit global growth. This week's U.S. inflation report on Thursday will be in the spotlight as a strong reading could bolster the case for the Federal Reserve to stick to a gradual pace of rate hikes this year, which is typically bearish for gold.

# Indian Gold Imports Fall by 25% in June - Gold imports made by India fell for a sixth month in June 2018 to 44 tonnes from a drop in the value of Indian rupee in the past month, as per a Reuters report. The information on imports was gathered from provisional data from GFMS analysts at Thomson Reuters and bank dealers. Lately, despite the correction in international prices, the yellow metal sold locally in India has remained high due to a fall in the rupee against the US dollar. The Indian currency fell to an all-time low against the dollar in the last week of June. Notably, the price of the precious metal has increased by 5 percent this year in India so far. The consistently high price and a shift in Indian investment habits could have caused the year-on-year purchases of gold by the second largest consumer of the metal in the world to drop by 25 percent.

# June gold-backed ETFs saw outflows in all regions except Europe: WGC - Gold-backed ETFs saw outflows in North America and Asia, but saw inflows in Europe during June as a strong U.S. dollar depressed gold prices, the World Gold Council said on Friday. North American investors sold 44.4 tonnes of gold-backed ETFs worth \$1.9 billion, compared with outflows of nearly 30 tonnes worth \$1.2 billion in May. The dollar, in which gold is priced, increased as investors sought safe havens in the greenback and U.S. Treasuries as global trade tensions mounted. Investors liquidated gold holdings to cover losses in equities, commodities and other markets that were falling due to the tariff disputes, traders said.

# India Gold exports fall sharply by 13% post-GST - The implementation of the GST regime, have clout down Gold exports from India by 13 percent in the first 11 months. Exporters are levied with 3 per cent of GST for procuring Gold from nominated agencies. Apart from 3 per cent GST, levied from July 1, 2017, Gold attracts 10 per cent import duty too; this has hampered Gold jewellery exports from India. The implementation of GST has also led to a reduction in purchases of Yellow metal by non-resident Indians (NRIs). Also the domestic consumption in the first quarter of the current financial year halved from a year ago.

# India's Forex reserves deplete by \$1.75 bn - India's foreign exchange (Forex) reserves depleted by \$1.75 billion during the week ended June 29, official data showed on Friday. According to the Reserve Bank of India's (RBI) weekly statistical supplement, the overall forex reserves declined to \$406.05 billion from \$407.81 billion reported for the week ended June 22. India's forex reserves comprise of foreign currency assets (FCAs), gold reserves, special drawing rights (SDRs) and the RBI's position with the International Monetary Fund (IMF).

Date	Gold*	Silver*
06 Jul 2018 (Friday)	30680.00	39295.00
05 Jul 2018 (Thursday)	30635.00	39220.00
04 Jul 2018 (Wednesday)	30660.00	39280.00

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

06 Jul 2018 (Friday)

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Outlook: Gold prices inched up as the dollar hovered close to a 3-1/2-week low after U.S. jobs data showed an increase in the unemployment rate and slower wage growth. For the day prices a drop towards 30510-30470 will look to buy with a stoploss of below 30360 expecting prices to jump towards 30640-30750 level.

Market View		Daily Levels	
Open	30737.00	<b>Resistance</b>	
High	30737.00	30873.00	
Low	30546.00	30805.00	
Close	30560.00	30682.00	
Value Change	-90.00	30491.00	
% Change	-0.29	30423.00	
Margin	5.00	30300.00	
Margin (Rs.)	152800	<b>Support</b>	
Volume	4706.00		
Open Interest	6293.00	<b>Spread</b>	
Cng in OI (%)	-2.31	<b>OCT - AUG</b>	
Prev Value(Mln)	14406.74	302.00	
52 Week High	31808.00	<b>DEC - OCT</b>	
52 Week Low	29435.00	292.00	

Gold prices traded in the range as the U.S. dollar weakened and U.S. trade tariffs against China went into effect. Trade conflict between the two biggest economies in the world began in force on Friday, when U.S. tariffs on \$34 billion worth of Chinese goods went into effect, with more tariffs expected in the coming weeks. China has also retaliated with tariffs on \$34 billion of American goods, according to Xinhua news. Beijing had previously said it would impose tariffs on U.S. agricultural products, crude imports, and vehicle products. The precious metal was also held back by a mixed jobs report. The U.S. added more jobs than expected in June, indicating a strengthening economy. However, wage inflation rose less than expected, which could lower expectations for an interest rate increase. The increase in wages is being closely monitored by the Federal Reserve for evidence of diminishing slack in the labor market and upward pressure on inflation. Gold was sold at a premium in India in the week after a drop in domestic prices boosted demand, while buyers elsewhere in Asia were sidelined, waiting how the escalating trade tensions between the United States and China would evolve. Indian dealers were charging a premium of up to \$1.50 an ounce over official domestic prices this week, compared to a discount of \$2 last week. Gold supplies are limited due to lower imports in the last few weeks. In top consumer China, premiums in the week were nearly unchanged from the previous week at \$2-\$5 an ounce against the international benchmark. Technically now Gold is getting support at 30491 and below same could see a test of 30423 level, And resistance is now likely to be seen at 30682, a move above could see prices testing 30805.

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## Gold Spot 995

Exch.	Descr.	Last*
CMDTY	Gold 995 - Ahmedabad	31400.00
CMDTY	Gold 995 - Bangalore	31460.00
CMDTY	Gold 995 - Chennai	31405.00
CMDTY	Gold 995 - Cochin	31410.00
CMDTY	Gold 995 - Delhi	31395.00
CMDTY	Gold 995 - Hyderabad	31440.00
CMDTY	Gold 995 - Jaipur	31475.00
CMDTY	Gold 995 - Kolkata	31520.00
CMDTY	Gold 995 - Mumbai	31415.00

\* Rates including GST

## Silver Spot 999

Exch.	Descr.	Last*
CMDTY	Silver 999 - Ahmedabad	39980.00
CMDTY	Silver 999 - Bangalore	40405.00
CMDTY	Silver 999 - Chennai	40500.00
CMDTY	Silver 999 - Delhi	40400.00
CMDTY	Silver 999 - Hyderabad	40535.00
CMDTY	Silver 999 - Jaipur	40485.00
CMDTY	Silver 999 - Kolkata	40600.00
CMDTY	Silver 999 - Mumbai	40375.00

\* Rates including GST

## Bullion Futures on DGCX

Exch.	Descr.	Last
DGCX	GOLD 27JUL2018	1260.20
DGCX	GOLD 26SEP2018	1263.60
DGCX	GOLD QUANTO 30JUL2018	30574.00
DGCX	GOLD QUANTO 27SEP2018	30798.00
DGCX	SILVER 29AUG2018	16.08
DGCX	SILVER 28NOV2018	16.10
DGCX	SILVER QUANTO 30AUG2018	40436.00
DGCX	SILVER QUANTO 29NOV2018	41189.00

## Gold Spot 999

Exch.	Descr.	Last*
CMDTY	Gold 999 - Ahmedabad	31530.00
CMDTY	Gold 999 - Bangalore	31610.00
CMDTY	Gold 999 - Chennai	31555.00
CMDTY	Gold 999 - Cochin	31560.00
CMDTY	Gold 999 - Delhi	31545.00
CMDTY	Gold 999 - Hyderabad	31590.00
CMDTY	Gold 999 - Jaipur	31595.00
CMDTY	Gold 999 - Mumbai	31570.00

\* Rates including GST

## Bullion Futures on MCX

Exch.	Descr.	Last
MCX	GOLD 04AUG2017	30560.00
MCX	GOLD 05OCT2017	30862.00
MCX	GOLD 05DEC2017	31154.00
MCX	SILVER 05JUL2017	39766.00
MCX	SILVER 05SEP2017	40607.00
MCX	SILVER 05DEC2017	41521.00

## 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	78.25
MCX	MCX GOLD SILVER RATIO	76.85

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Report is prepared for information purposes only.

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