



Daily Market Update

Report as on Tuesday, October 09, 2018

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Bullion gained as the dollar softened after data showed U.S. job growth slowed more than expected last month and a slide in stock markets burnished the appeal of bullion as a safe haven. The Labor Department's monthly employment report also showed a steady rise in wages, suggesting moderate inflation pressures, which could allow the Federal Reserve to maintain a path of gradual interest rate increases. U.S. job growth slowed sharply in September likely as Hurricane Florence depressed restaurant and retail payrolls, but the unemployment rate fell to near a 49-year low of 3.7 percent, pointing to a further tightening in labor market conditions.

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Higher domestic prices dented demand for physical gold in India, prompting dealers to offer the biggest discounts in 3-1/2 months this week, while neighbouring Bangladesh approved its first policy to regulate imports and exports of the metal. Some customers in Singapore and elsewhere in Asia cashed in on a slight dip in global prices earlier this week, even as markets in top consumer China were closed for the Golden Week festival. In India, the second biggest gold consumer after China, dealers offered discounts of up to \$6.5 an ounce over official domestic prices, the highest since mid-June, compared with \$2 discounts last week. In Singapore, premiums of 80 cents to \$1.30 an ounce were charged over global benchmark rates, versus \$1-\$1.50 last week. India's gold imports were expected to rise in the fourth quarter.

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Gold-backed exchange-traded funds (ETFs) experienced outflows in North America European and Asian funds during September, as investors continued to show extreme short positioning, the World Gold Council said. North American investors saw gold ETF outflows of 6.1 tonnes worth \$257.5 million in September, a 0.6 percent decline from August. European and Asian funds saw outflows totaling 10.2 tonnes and 6.5 tonnes, respectively for the same period, after growing the month prior, the data showed.

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Hedge funds and money managers trimmed their net short position in COMEX gold contracts in the week to Oct. 2, U.S. Commodity Futures Trading Commission data (CFTC) showed. They also reduced their net short position in silver contracts and switched back to a net short position in copper futures and options, according to the data. Gold speculators cut their net short position by 4,186 contracts to 73,128 during the period. Meanwhile, in silver, net short positions fell by 6,092 contracts to 36,317, the smallest in just over a month.

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India's gold imports may rise in the fourth quarter as investors seek alternatives to faltering equity markets and a plunging rupee at the same time traditional buying will rise during the festival season, said multiple sources involved in the market. Increased buying by the world's second-biggest gold consumer would support global prices that have traded roughly near \$1,200 an ounce since late August, but also widen India's trade deficit and add to pressure on the Indian rupee, which fell to a record low on Wednesday. In the fourth quarter of 2018, gold imports could rise 9 percent from a year ago to 250 tonnes. In the fourth quarter of 2017, India imported 229.6 tonnes of gold, according to metals consultancy GFMS.

Date	Gold*	Silver*
08 Oct 2018 (Monday)	31315.00	38175.00
05 Oct 2018 (Friday)	31400.00	38530.00
04 Oct 2018 (Thursday)	31235.00	38445.00

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

08 Oct 2018 (Monday)

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Outlook: Gold remained under pressure as investors sought safety in the U.S. dollar on concerns about a selloff in global stocks worsened by worries over economic growth in China. For the day prices a jump towards 31300-31350 will look to sell with a stoploss of above 31480 expecting prices to drop towards 31200-31080 level.

MCX GOLD

Market View	Value	Daily Levels
Open	31531.00	Resistance
High	31531.00	31763.00
Low	31202.00	31647.00
Close	31220.00	31434.00
Value Change	-423.00	31105.00
% Change	-1.34	30989.00
Margin	5.00	30776.00
Margin (Rs.)	156100	Support
Volume	9586.00	
Open Interest	12477.00	Spread
Cng in OI (%)	-10.51	FEB - DEC
Prev Value(Mln)	30039.69	275.00
52 Week High	31881.00	APR - FEB
52 Week Low	29500.00	261.00

Gold on MCX settled down -1.34% at 31220 as investors sought safety in the U.S. dollar on concerns about a selloff in global stocks worsened by worries over economic growth in China. Investors fretted about everything from the Chinese economy, to trade wars, higher U.S. bond yields and political dysfunction in Europe. China will increase export tax rebates from Nov. 1 and quicken export tax rebate payments to support foreign trade, the cabinet said on Monday, as a trade war with the United States escalates. The United States remains concerned about China's recent currency depreciation, a senior Treasury official said on Monday, adding that it was unclear whether Treasury Secretary Steven Mnuchin would meet with any Chinese officials at the International Monetary Fund (IMF) and World Bank meetings this week. St. Louis Federal Reserve Bank President James Bullard said on Monday that the United States needed productivity gains to maintain its current growth rates, which could be achieved through investments and technology. U.S. Secretary of State Mike Pompeo on Monday hailed "significant progress" in talks with North Korean leader Kim Jong Un at the weekend and said the sides were "pretty close" to agreeing details for a second summit between Kim and President Donald Trump. Meanwhile, speculators cut their net short position in COMEX gold by 4,186 contracts to 73,128 in the week to Oct. 2. Technically market is under long liquidation as market has witnessed drop in open interest by -10.51% to settled at 12477 while prices down -423 rupees, now Gold is getting support at 31105 and below same could see a test of 30989 level, And resistance is now likely to be seen at 31434, a move above could see prices testing 31647.

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INT. GOLD\$		
Market View		Daily Levels
Open	1202.61	Resistance
High	1203.80	1219.50
Low	1184.03	1211.65
Close	1187.81	1199.73
Value Change	-14.89	1179.96
% Change	-0.01	1172.11
		1160.19
		Support

Outlook: Gold price continues to decline to approach 1190.00 level, and as we mentioned this morning, breaking this level will reinforce the expectations of targeting 1180.00 followed by 1160.00 levels as next main stations, while the expected decline will remain valid unless breaching 1208.40 level and holding above it. Expected trading range for today is between 1180.00 support and 1208.00 resistance.

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USDINR settled up 0.32% on likely outflows from local stocks, strong dollar and arbitrage between the offshore and spot rate. Technically market is under fresh buying as market has witnessed gain in open interest by 0.43% to settled at 3551052, now USDINR is getting support at 74.03 and below same could see a test of 73.81 level, And resistance is now likely to be seen at 74.38, a move above could see prices testing 74.52.

USDINR		
Market View		Daily Levels
Open	74.1700	Resistance
High	74.3075	74.74
Low	73.9525	74.53
Close	74.2500	74.39
Value Change	0.2375	74.03
% Change	0.32	73.82
Margin	2.51	73.68
Margin (Rs.)	1864	Support
Volume	1892179	
Open Interest	3551052	Spread
Cng in OI (%)	0.43	NOV - OCT
Prev Value(Mln)	140356.67	0.2925
52 Week High	74.4475	DEC - NOV
52 Week Low	64.6000	0.2800

Rupee dropped on likely outflows from local stocks, strong dollar and arbitrage between the offshore and spot rate. The Reserve Bank of India (RBI) said it has been trying to ensure the foreign exchange market remains liquid and is not targeting any particular level. "The RBI's response to these unsettled conditions has been to ensure the foreign exchange market remains liquid with no undue volatility," the central bank's governor, Urjit Patel, said after monetary policy meeting. "There is no target or band around any particular level of the exchange rate which is determined by the market forces of demand and supply," he said. India's central bank said it will relax external commercial borrowings (ECB) policy to allow state-run oil marketing companies to raise external debt for working capital purposes. The Reserve Bank of India will permit oil marketing firms to raise overseas funds with minimum average maturity period of 3 or 5 years under the automatic route, it said in a statement. It lifted the individual borrowing limit set at \$750 million under the ECB framework. The move comes in light of the rupee's drop to a record low triggered by a sharp rise in global crude oil prices, prompting the central bank to quickly intervene to slow its fall. Finance Minister Arun Jaitley said, he expects India's economy to sustain an annual growth rate of around 8 percent on the back of measures taken by the government such as a unified tax code and a new bankruptcy law. Technically now USDINR is getting support at 74.0925 and below same could see a test of 73.845 level, And resistance is now likely to be seen at 74.4475, a move above could see prices testing 74.555.

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Gold Spot 995

Exch.	Descr.	Last*
CMDTY	Gold 995 - Ahmedabad	32080.00
CMDTY	Gold 995 - Bangalore	32070.00
CMDTY	Gold 995 - Chennai	32090.00
CMDTY	Gold 995 - Cochin	32090.00
CMDTY	Gold 995 - Delhi	32095.00
CMDTY	Gold 995 - Hyderabad	32070.00
CMDTY	Gold 995 - Jaipur	32085.00
CMDTY	Gold 995 - Kolkata	32130.00
CMDTY	Gold 995 - Mumbai	32095.00

* Rates including GST

Silver Spot 999

Exch.	Descr.	Last*
CMDTY	Silver 999 - Ahmedabad	39100.00
CMDTY	Silver 999 - Bangalore	39370.00
CMDTY	Silver 999 - Chennai	39285.00
CMDTY	Silver 999 - Delhi	39350.00
CMDTY	Silver 999 - Hyderabad	39360.00
CMDTY	Silver 999 - Jaipur	39325.00
CMDTY	Silver 999 - Kolkata	39500.00
CMDTY	Silver 999 - Mumbai	39450.00

* Rates including GST

Bullion Futures on DGCX

Exch.	Descr.	Last
DGCX	GOLD 28NOV2018	1193.70
DGCX	GOLD 29JAN2019	1194.50
DGCX	GOLD QUANTO 29NOV2018	31345.00
DGCX	GOLD QUANTO 30JAN2019	31472.00
DGCX	SILVER 28NOV2018	14.36
DGCX	SILVER 26FEB2019	14.45
DGCX	SILVER QUANTO 29NOV2018	41189.00

Gold Spot 999

Exch.	Descr.	Last*
CMDTY	Gold 999 - Ahmedabad	32210.00
CMDTY	Gold 999 - Bangalore	32220.00
CMDTY	Gold 999 - Chennai	32240.00
CMDTY	Gold 999 - Cochin	32240.00
CMDTY	Gold 999 - Delhi	32245.00
CMDTY	Gold 999 - Hyderabad	32220.00
CMDTY	Gold 999 - Jaipur	32205.00
CMDTY	Gold 999 - Mumbai	32245.00

* Rates including GST

Bullion Futures on MCX

Exch.	Descr.	Last
MCX	GOLD 04AUG2017	31220.00
MCX	GOLD 05OCT2017	31495.00
MCX	GOLD 05DEC2017	31756.00
MCX	SILVER 05JUL2017	38458.00
MCX	SILVER 05SEP2017	39226.00
MCX	SILVER 05DEC2017	39808.00

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	82.72
MCX	MCX GOLD SILVER RATIO	81.18

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