



## IBJA Market Update

### Daily Market Update

Report as on Tuesday, October 10, 2017

# **Polled Premium/Discount for 995 gold in Ahmedabad 0.00 USD/troy oz on October 09, 2017**

# Gold gains amid renewed North Korea fears - Gold prices gained on concerns stoked by a Russian report that North Korea is preparing to test a long-range missile and on support from the U.S. dollar's shift into negative territory. Earlier, bullion fell on an upbeat reading of the U.S. unemployment rate and wage growth last month that supported expectations for a further U.S. interest rate hike in December.

# Gold Price To Suffer a Tremendous Drop Says Goldman Sachs-Although gold has found initial support, bouncing off Friday's two-month low, one bank sees further technical weakness with the potential for prices to fall 14% from current levels. In a report Monday, Goldman Sachs said that they see gold prices falling to \$1100 an ounce after the market was unable to test key resistance around \$1380 an ounce, which they noted represented a key level from the 2011 high to the 2016 lows.

# RBI launches third tranche of gold bonds this year- RBI will sell gold bonds- third tranche for this year- at Rs.2956 a gram, the Reserve Bank said in a circular issued to banks on Monday. Online applicants who pay digitally will get Rs 50 discount per gram, it said. The sale would be open between Monday and Wednesday of every week starting from Oct 9, to Dec 27. The 2.5% interest bearing bonds which will be sold to resident Indians- individuals, trusts as well as charitable institutions and universities will be capped for different category of buyers.

# Invest in gold bonds-The most important change is that now bonds will be available virtually on tap as the issue that opened on Monday will remain open until December 27. The government on Friday announced several changes that would increase the attractiveness of sovereign gold bonds. The most important change is that these bonds will now virtually be available on tap, as the issue that opened on Monday will remain open until December 27. However, the long-tenure issue will see the setting of price on a weekly basis. According to the RBI's announcement, every week, the bonds subscription will open on Monday and close on Wednesday. The price for that will be the previous last three trading days' average price for 999 purity.

# Demand for physical gold in India improved slightly - Demand for physical gold in India improved slightly because of a correction in local prices, but recent restrictions on the industry and increased smuggling took the sheen off the bullion market heading into the peak festival season. Dealers in India were offering a discount of up to \$3 an ounce this week, down from \$6 the previous week. Local gold prices fell to 29,260 per 10 grams, the lowest level since Aug. 28. Gold smuggling in India, the world's second-biggest consumer of the metal, is likely to rise during the peak holiday season as buyers try to avoid paying a new sales tax and to dodge new transparency rules.

Date	Gold*	Silver*
09 Oct 2017 (Monday)	29810.00	39520.00
06 Oct 2017 (Friday)	29510.00	38850.00
05 Oct 2017 (Thursday)	29595.00	38860.00

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

09 Oct 2017 (Monday)

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Outlook: Gold prices gains as renewed concerns over North Korea's nuclear ambitions stoked safe-haven demand for the precious metal and weighed on the dollar. For the day, prices a drop towards 29700 will look to buy with stop loss below 29550 expecting the prices to jump towards 29850-30000 level.

Market View		Daily Levels
Open	29698.00	<b>Resistance</b>
High	29772.00	29890.00
Low	29664.00	29831.00
Close	29732.00	29782.00
Value Change	159.00	29674.00
% Change	0.54	29615.00
Margin	5.00	29566.00
Margin (Rs.)	148660	<b>Support</b>
Volume	5831.00	
Open Interest	7303.00	<b>Spread</b>
Cng in OI (%)	-3.23	<b>FEB - DEC</b>
Prev Value(Mln)	17325.25	77.00
52 Week High	30629.00	<b>APR - FEB</b>
52 Week Low	27953.00	73.00

Gold on MCX settled up 0.54% at 29732 kicked off the new week with gains on Monday in quiet trade on account of Columbus Day in the US. Prices bounced after falling for a fourth week to a two-month low on Friday, following an upbeat reading of U.S. wage growth and unemployment that supported expectations for a U.S. interest rate hike in December, pushing the dollar and Treasury yields higher. Gold's resilience above its 200-dma at \$1253 an ounce also provided some technical support. Meanwhile, the dollar fell below a 10-week high, while geopolitical concerns centered on North Korea and Spain supported gold prices. Meanwhile Gold demand in India look to pick up as buying by jewellers and retailers increased after the government revoked an order mandating PAN and Aadhaar cards for purchases above Rs50000. Market sentiment turned upbeat with the government revoking an order that mandated PAN and Aadhaar cards for purchases above Rs50000, spurring retail buying. The government has removed gems and jewellery dealers from the purview of the reporting requirement under the PMLA. The government rolled back a 23 August notification that notified dealers in precious metals, precious stones and other high value goods as persons carrying on designated business and professions under the PMLA, 2002. Technically market is under short covering as market has witnessed drop in open interest by -3.23% to settled at 7303 while prices up 159 rupees, now Gold is getting support at 29674 and below same could see a test of 29615 level, And resistance is now likely to be seen at 29782, a move above could see prices testing 29831.

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## Gold Spot 995

Exch.	Descr.	Last*
CMDTY	Gold 995 - Ahemdabad	30520.00
CMDTY	Gold 995 - Bangalore	30510.00
CMDTY	Gold 995 - Chennai	30510.00
CMDTY	Gold 995 - Cochin	30525.00
CMDTY	Gold 995 - Delhi	30520.00
CMDTY	Gold 995 - Hyderabad	30500.00
CMDTY	Gold 995 - Jaipur	30525.00
CMDTY	Gold 995 - Kolkata	30520.00
CMDTY	Gold 995 - Mumbai	30540.00

\* Rates including GST

## Silver Spot 999

Exch.	Descr.	Last*
CMDTY	Silver 999 - Ahemdabad	40450.00
CMDTY	Silver 999 - Bangalore	40595.00
CMDTY	Silver 999 - Chennai	40620.00
CMDTY	Silver 999 - Delhi	40600.00
CMDTY	Silver 999 - Hyderabad	40630.00
CMDTY	Silver 999 - Jaipur	40640.00
CMDTY	Silver 999 - Kolkata	40800.00
CMDTY	Silver 999 - Mumbai	40685.00

\* Rates including GST

## Bullion Futures on DGCX

Exch.	Descr.	Last
DGCX	GOLD 28NOV2017	1289.20
DGCX	GOLD 29JAN2018	1287.60
DGCX	GOLD QUANTO 29NOV2017	29771.00
DGCX	GOLD QUANTO 30JAN2018	29888.00
DGCX	SILVER 28NOV2017	16.99
DGCX	SILVER 26FEB2018	17.01
DGCX	SILVER QUANTO 29NOV2017	39890.00
DGCX	SILVER QUANTO 27FEB2018	40491.00

## Gold Spot 999

Exch.	Descr.	Last*
CMDTY	Gold 999 - Ahemdabad	30670.00
CMDTY	Gold 999 - Bangalore	30660.00
CMDTY	Gold 999 - Chennai	30660.00
CMDTY	Gold 999 - Cochin	30675.00
CMDTY	Gold 999 - Delhi	30670.00
CMDTY	Gold 999 - Hyderabad	30650.00
CMDTY	Gold 999 - Jaipur	30635.00
CMDTY	Gold 999 - Mumbai	30690.00

\* Rates including GST

## Bullion Futures on MCX

Exch.	Descr.	Last
MCX	GOLD 04AUG2017	29732.00
MCX	GOLD 05OCT2017	29809.00
MCX	GOLD 05DEC2017	29882.00
MCX	SILVER 05JUL2017	39940.00
MCX	SILVER 05SEP2017	40541.00
MCX	SILVER 05DEC2017	40964.00

## Gold and Silver Fix

Exch.	Descr.	Last
CMDTY	Gold London AM FIX	1282.15
CMDTY	Gold London PM FIX	1278.75
CMDTY	Silver London FIX	16.92

## Gold / Silver Ratio

Exch.	Descr.	Last
INTL. SPOT	GOLD SILVER RATIO	75.54
MCX	MCX GOLD SILVER RATIO	74.44

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Report is prepared for information purposes only.

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