



**INDIA BULLION AND JEWELLERS
ASSOCIATION LTD.**
Since 1919



Daily Market Update

Report as on Wednesday, October 10, 2018

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Gold rebounded slightly to close 31283 as the recent jump in U.S. bond yields and persistent concerns over global growth sparked an investor flight toward safe-havens. But Comex Gold remained below the \$1,200 level that's critical to the confidence of gold bugs, raising questions on its potential upside after Monday's 1.4% tumble, the sharpest selloff in a day since Aug. 13. The gains came as equity markets grappled with the moves in U.S. Treasury yields. The 10-Year Treasury note's yield surged to a fresh seven-year peak earlier Tuesday, spurred by expectations for a potentially faster pace of rate hikes from the Federal Reserve. But the yield gave back those gains and more later in the day.

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Silver jewellery exports fall 88% in FY19, industry seeks policy support - Export of silver jewellery has fallen as much as 88 per cent so far this financial year, shows data compiled by the apex industry body, the Gems and Jewellery Export Promotion Council (GJEPC). The cumulative export figure for April-August, the first five months of 2018-19, was \$239 million (Rs 16.3 billion), compared to \$2.0082 billion (Rs 129.4 billion) in the corresponding period last year. However, during this period, overall gems and jewellery export rose by 7.3 per cent in rupee terms to Rs 1,131 billion and nearly 1.9 per cent in dollar terms to \$16.7 billion.

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Imports of Gold bars doubles although jewelry exports contract 0.75% to \$13.18 billion - Exports of Gems and jewelry has contracted by 0.75% to \$13.18 billion for the period April-August of the current fiscal. The decline has been reported to a tepid demand in major international markets. Demand has also shrunk in the categories of silver jewelry, gold medallions and coins. The rise in return of shipments has also been factored as a reason for the slump. Data released by the Commerce Ministry suggests that exports of Silver Jewelry dipped 88% to \$239 million while exports of Gold coins and medallions posted a decline of 87.2%. This in the fiscal year April- August 2018. Rough diamonds too exhibited a decline of 5%. However on the brighter side, exports of polished and cut diamonds registered a growth of 11.5% to \$10.31 billion in the first five months of the fiscal.

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Investors may turn to gold this Diwali as volatility hits equities - Volatility in the stock market may help turn the attention of Indian investors to gold in the upcoming Dussehra and Diwali festive period. At the retail level, jewellers expect better sales this festive season compared with last year, when issues such as the need for customer verification had impacted consumer sentiment. But the depreciating rupee and its impact on prices pose a risk, as demand could take a hit if gold reaches Rs 33,000-34,000 per 10 grams.

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Sovereign Gold Bond scheme to open from October 15 - The government's sovereign gold bond scheme will be open for subscription from mid-October, running up to five tranches till February, the Reserve Bank said. The Sovereign Gold Bonds would be issued every month from October 2018 to February 2019 as per the calendar specified, the RBI said in a release. The bonds would be sold through banks, Stock Holding Corporation of India Limited (SHCIL), designated post offices, and stock exchanges -- National Stock Exchange and BSE. The first tranche of the scheme would be open for subscription from October 15-19 and the bonds would be issued on October 23.

Date	Gold*	Silver*
09 Oct 2018 (Tuesday)	31205.00	37860.00
08 Oct 2018 (Monday)	31315.00	38175.00
05 Oct 2018 (Friday)	31400.00	38530.00

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

09 Oct 2018 (Tuesday)

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Outlook: Gold prices steadied as pressure from the dollar's strength and a bullish U.S. rate outlook was balanced by falling stock markets. For the day prices a drop towards 31270-31240 will look to buy with a stoploss of below 31120 expecting prices to jump towards 31440-31550 level.

MCX GOLD

Market View	Daily Levels	
Open	31305.00	Resistance
High	31400.00	31548.00
Low	31231.00	31474.00
Close	31283.00	31379.00
Value Change	63.00	31210.00
% Change	0.20	31136.00
Margin	5.00	31041.00
Margin (Rs.)	156415	Support
Volume	7152.00	
Open Interest	12377.00	Spread
Cng in OI (%)	-0.80	FEB - DEC
Prev Value(Mln)	22401.84	242.00
52 Week High	31881.00	APR - FEB
52 Week Low	29500.00	230.00

Gold on MCX settled up 0.2% at 31283 as pressure from the dollar's strength and a bullish U.S. rate outlook was balanced by falling stock markets. U.S. long-dated Treasury yields fell in choppy trading, as investors took a respite from selling bonds that took rates to multi-year highs following recent economic data and on interest rate prospects over the next year and a half. The IMF cut global economic growth forecasts for 2018 and 2019, as well as its U.S. and China estimates for next year, saying the two countries would feel the brunt of their trade war next year. Risks to the global financial system have risen over the past six months and could increase sharply if pressures in emerging markets escalate or global trade relations deteriorate further, the IMF said. U.S. President Donald Trump on Tuesday again criticized the Federal Reserve, telling reporters the central bank is going too fast in raising rates when inflation is minimal and government data points to a strong economy. Trump said on Tuesday his second summit with North Korean leader Kim Jong Un would be held after U.S. congressional elections on Nov. 6. U.S. inflation expectations for both one and three years into the future were unchanged last month, according to a Federal Reserve Bank of New York survey that painted a picture of price stability among consumers. Technically market is under short covering as market has witnessed drop in open interest by -0.8% to settled at 12377 while prices up 63 rupees, now Gold is getting support at 31210 and below same could see a test of 31136 level, And resistance is now likely to be seen at 31379, a move above could see prices testing 31474.

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INT. GOLD\$		
Market View		Daily Levels
Open	1188.12	Resistance
High	1191.59	1199.73
Low	1184.50	1195.66
Close	1189.62	1192.64
Value Change	1.81	1185.55
% Change	0.00	1181.48
		1178.46
		Support

Outlook: Gold price keeps its stability below 1190.00 level, to keep the bearish bias suggested in the upcoming sessions, supported by stochastic head towards the overbought areas, waiting to target 1180.00 followed by 1160.00 levels as next main stations, while holding below 1208.40 represents the most important condition to continue the expected decline.

Gold was steady as pressure from the dollar's strength and a bullish U.S. rate outlook was balanced by falling stock markets. U.S. long-dated Treasury yields fell in choppy trading, as investors took a respite from selling bonds that took rates to multi-year highs following recent economic data and on interest rate prospects over the next year and a half. The IMF cut global economic growth forecasts for 2018 and 2019, as well as its U.S. and China estimates for next year, saying the two countries would feel the brunt of their trade war next year. Risks to the global financial system have risen over the past six months and could increase sharply if pressures in emerging markets escalate or global trade relations deteriorate further, the IMF said. U.S. President Donald Trump on Tuesday again criticized the Federal Reserve, telling reporters the central bank is going too fast in raising rates when inflation is minimal and government data points to a strong economy. Trump said on Tuesday his second summit with North Korean leader Kim Jong Un would be held after U.S. congressional elections on Nov. 6. U.S. inflation expectations for both one and three years into the future were unchanged last month, according to a Federal Reserve Bank of New York survey that painted a picture of price stability among consumers. Technically now Gold is getting support at 1188.20 and below same could see a test of 1182.60 level, And resistance is now likely to be seen at 1198.40, a move above could see prices testing 1204.50.

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Rupee remained under pressure as it dropped 32 paise to another record low of 74.39 per dollar. We expect rupee weakness to persist, heading to 75.60 against the dollar even as we see a less probability of any unconventional policy measures amid comfortable forex war chest. Technically now USDINR is getting support at 74.1875 and below same could see a test of 73.8725 level, And resistance is now likely to be seen at 74.705, a move above could see prices testing 74.9075.

USDINR		
Market View	Daily Levels	
Open	74.0975	Resistance
High	74.5925	75.22
Low	74.0750	74.91
Close	74.5025	74.71
Value Change	0.2525	74.19
% Change	0.34	73.87
Margin	2.51	73.67
Margin (Rs.)	1870	Support
Volume	2375597	
Open Interest	3629029	Spread
Cng in OI (%)	2.20	NOV - OCT
Prev Value(Mln)	176713.03	0.2925
52 Week High	74.5925	DEC - NOV
52 Week Low	64.6000	0.3050

Rupee dropped to record lows on buying by foreign banks amid likely overseas funds outflow from local stocks and debt. Also, few banks with foreign offices bought dollars taking advantage of the arbitrage opportunity between spot and one-month non-deliverable forward market, adding further to the appreciation in the spot pair. Reserve Bank of India's intervention at every record high level is providing some resistance to sharp appreciation. Bank of India and Allahabad Bank sold dollars likely on behalf of RBI to stem further gains in the spot pair. India's service sector expanded at a marginal rate in September amid reports of underwhelming market demand, survey results from IHS Markit showed. The Nikkei services Purchasing Managers' Index fell to 50.9 in September from 51.5 in August. This was the lowest reading in the current four-month sequence of rising activity. The composite output index, covering both manufacturing and services, came in at 51.6, down from 51.9 in August. Despite a slight improvement in manufacturing, the score reached its lowest level in four months. In the service sector, weaker growth was closely linked to a broad stagnation of new business. Price pressures intensified, with higher fuel costs and a stronger US dollar raising the price of imported goods. Further, expectations remained in positive territory, whilst firms added to their staffing levels for a thirteenth successive month. Technically now USDINR is getting support at 74.2075 and below same could see a test of 73.8825 level, And resistance is now likely to be seen at 74.725, a move above could see prices testing 74.9175.

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Gold Spot 995

Exch.	Descr.	Last*
CMDTY	Gold 995 - Ahmedabad	31990.00
CMDTY	Gold 995 - Bangalore	32005.00
CMDTY	Gold 995 - Chennai	32010.00
CMDTY	Gold 995 - Cochin	32010.00
CMDTY	Gold 995 - Delhi	32005.00
CMDTY	Gold 995 - Hyderabad	31980.00
CMDTY	Gold 995 - Jaipur	31995.00
CMDTY	Gold 995 - Kolkata	32070.00
CMDTY	Gold 995 - Mumbai	32035.00

* Rates including GST

Silver Spot 999

Exch.	Descr.	Last*
CMDTY	Silver 999 - Ahmedabad	38900.00
CMDTY	Silver 999 - Bangalore	39030.00
CMDTY	Silver 999 - Chennai	39010.00
CMDTY	Silver 999 - Delhi	39005.00
CMDTY	Silver 999 - Hyderabad	39095.00
CMDTY	Silver 999 - Jaipur	38995.00
CMDTY	Silver 999 - Kolkata	39200.00
CMDTY	Silver 999 - Mumbai	39140.00

* Rates including GST

Bullion Futures on DGCX

Exch.	Descr.	Last
DGCX	GOLD 28NOV2018	1193.10
DGCX	GOLD 29JAN2019	1194.50
DGCX	GOLD QUANTO 29NOV2018	31340.00
DGCX	GOLD QUANTO 30JAN2019	31517.00
DGCX	SILVER 28NOV2018	14.37
DGCX	SILVER 26FEB2019	14.48
DGCX	SILVER QUANTO 29NOV2018	41189.00

Gold Spot 999

Exch.	Descr.	Last*
CMDTY	Gold 999 - Ahmedabad	32120.00
CMDTY	Gold 999 - Bangalore	32155.00
CMDTY	Gold 999 - Chennai	32160.00
CMDTY	Gold 999 - Cochin	32160.00
CMDTY	Gold 999 - Delhi	32155.00
CMDTY	Gold 999 - Hyderabad	32130.00
CMDTY	Gold 999 - Jaipur	32115.00
CMDTY	Gold 999 - Mumbai	32185.00

* Rates including GST

Bullion Futures on MCX

Exch.	Descr.	Last
MCX	GOLD 04AUG2017	31283.00
MCX	GOLD 05OCT2017	31525.00
MCX	GOLD 05DEC2017	31755.00
MCX	SILVER 05JUL2017	38621.00
MCX	SILVER 05SEP2017	39358.00
MCX	SILVER 05DEC2017	39841.00

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	82.79
MCX	MCX GOLD SILVER RATIO	81.00

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