



## IBJA Market Update

### Daily Market Update

Report as on Thursday, January 11, 2018

# **Polled Premium/Discount for 995 gold in Ahmedabad -0.25 USD/troy oz on January 10, 2018.**

# Gold prices gained setting the highest bullion-market benchmark in 4 months as financial markets whipped on rumors that China may stop buying more US government debt for its huge foreign currency reserves. While as per Bloomberg News says officials running China's \$3.14 trillion of central-bank reserves have "recommended" reducing or pausing the purchase of US Treasury bonds, blaming tensions with President Donald Trump over China's huge trade surplus, plus better returns offered by other assets.

# Indian jewellers and bullion traders are divided over a potential reduction of import duty on Gold, with a section urging New Delhi to cut the levy and the other opposing any change to the tariff structure to protect the interests of sovereign gold bond investors. The All India GJF has sought the duty to be reduced to 4% from 10% in the upcoming budget. The IBJA, by contrast, says that any reduction will require New Delhi to put in place a compensation mechanism for sovereign gold bond investors who had factored in the 10% duty while buying the instrument.

# Gold imports set to rebound amid signs of GST woes fading : Gold imports by India surged 37 percent in December after falling for three straight months, according to sources. Inward shipments increased to 77.7 metric tons from 56.9 tons a year ago, the person said, asking not to be named as the information isn't public. In value terms, purchases rose 39.8 percent to 176.7 billion rupees (\$2.8 billion). Finance Ministry spokesman D.S. Malik declined to comment.

# Gold imports surge 67% in 2017 on restocking, retail demand: GFMS - India's gold imports surged 67 percent in 2017 from the previous year to 855 tonnes as jewellers replenished inventory amid a rebound in retail demand, provisional data from precious metals consultancy GFMS showed. The rebound in purchases by India, the world's second-biggest consumer of gold after China, could support global prices, which are already near their highest levels in three months. Spot gold values gained more than 13 percent last year, their best annual performance since 2010.

# Indian diamond manufacturers look to set up cutting, polishing units in Russia - India's diamond manufacturers are looking at setting up cutting and polishing units in Russia for easy access of rough diamonds from Alrosa mines as the central government has yet to come up with a tax structure to enable the country's diamond trade to directly purchase rough diamonds from the SNZ at Mumbai's Bharat Diamond Bourse. KGK Diamonds has announced setting up of cutting and polishing unit in Vladivostok in Russia and two more leading diamond companies including M Suresh & Co are looking at opening units in Russia.

Date	Gold*	Silver*
10 Jan 2018 (Wednesday)	29810.00	38885.00
09 Jan 2018 (Tuesday)	29680.00	38545.00
08 Jan 2018 (Monday)	29580.00	38705.00

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

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Outlook: Gold prices remained supported as the dollar swooned after a report that Chinese officials had recommended slowing or halting purchases of U.S. Treasury securities. For the day prices a drop towards 29240-29180 level will look to buy with a stoploss of below 29040 expecting prices to jump towards 29360-29480 level.

Market View		Daily Levels	
Open	29135.00	<b>Resistance</b>	
High	29430.00	29772.00	
Low	29121.00	29601.00	
Close	29324.00	29463.00	
Value Change	168.00	29154.00	
% Change	0.58	28983.00	
Margin	5.00	28845.00	
Margin (Rs.)	146620	<b>Support</b>	
Volume	10078.00	<b>Spread</b>	
Open Interest	6226.00	<b>APR - FEB</b>	
Cng in OI (%)	0.81	<b>JUN - APR</b>	
Prev Value(Mln)	29524.08	-38.00	
52 Week High	30690.00	220.00	
52 Week Low	28055.00		

Gold on MCX settled up 0.58% at 29324 as the dollar tumbled to a six-week low versus the Japanese yen and slid against the euro, lifting assets priced in the US currency and offsetting a rise in global yields. The dollar fell as much as 1.2 percent against the yen after the Bank of Japan's move to trim its long-dated government bond purchases earlier this week, putting the US currency on track for its biggest two-day drop in nearly eight months. The BoJ move also lifted bond yields across the world, generally a negative factor for gold as it increases the opportunity cost of holding non-interest bearing bullion. However, the impact of the dollar's fall outweighed that factor. Meanwhile Holdings of SPDR Gold Trust fell 0.35 percent to 828.96 tonnes on Wednesday from Tuesday. While from India, India's gold imports surged 67 percent in 2017 from the previous year to 855 tonnes as jewellers replenished inventory amid a rebound in retail demand, provisional data from precious metals consultancy GFMS showed. The rebound in purchases by India, could support global prices, which are already near their highest levels in three months. Now Market participants are focusing on the release of U.S. inflation data due on Friday, for clues on the potential pace of rate hikes by the Federal Reserve. The greenback had initially strengthened after San Francisco Fed President John Williams said on Saturday that the Fed should raise interest rates three times this year given that economy will benefit from tax cuts. Technically market is getting support at 29154 and below same could see a test of 28983 level, And resistance is now likely to be seen at 29463, a move above could see prices testing 29601.

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## Gold Spot 995

Exch.	Descr.	Last*
CMDTY	Gold 995 - Ahemdabad	30620.00
CMDTY	Gold 995 - Bangalore	30600.00
CMDTY	Gold 995 - Chennai	30610.00
CMDTY	Gold 995 - Cochin	30605.00
CMDTY	Gold 995 - Delhi	30575.00
CMDTY	Gold 995 - Hyderabad	30610.00
CMDTY	Gold 995 - Jaipur	30575.00
CMDTY	Gold 995 - Kolkata	30625.00
CMDTY	Gold 995 - Mumbai	30590.00

\* Rates including GST

## Silver Spot 999

Exch.	Descr.	Last*
CMDTY	Silver 999 - Ahemdabad	39800.00
CMDTY	Silver 999 - Bangalore	39910.00
CMDTY	Silver 999 - Chennai	39965.00
CMDTY	Silver 999 - Delhi	39890.00
CMDTY	Silver 999 - Hyderabad	40055.00
CMDTY	Silver 999 - Jaipur	39885.00
CMDTY	Silver 999 - Kolkata	40000.00
CMDTY	Silver 999 - Mumbai	39965.00

\* Rates including GST

## Bullion Futures on DGCX

Exch.	Descr.	Last
DGCX	GOLD 29JAN2018	1320.30
DGCX	GOLD 27MAR2018	1322.70
DGCX	GOLD QUANTO 30JAN2018	29318.00
DGCX	GOLD QUANTO 28MAR2018	29349.00
DGCX	SILVER 26FEB2018	17.00
DGCX	SILVER 26APR2018	17.06
DGCX	SILVER QUANTO 27FEB2018	38868.00
DGCX	SILVER QUANTO 27APR2018	39354.00

## Gold Spot 999

Exch.	Descr.	Last*
CMDTY	Gold 999 - Ahemdabad	30750.00
CMDTY	Gold 999 - Bangalore	30750.00
CMDTY	Gold 999 - Chennai	30760.00
CMDTY	Gold 999 - Cochin	30755.00
CMDTY	Gold 999 - Delhi	30725.00
CMDTY	Gold 999 - Hyderabad	30760.00
CMDTY	Gold 999 - Jaipur	30695.00
CMDTY	Gold 999 - Mumbai	30740.00

\* Rates including GST

## Bullion Futures on MCX

Exch.	Descr.	Last
MCX	GOLD 04AUG2017	29324.00
MCX	GOLD 05OCT2017	29286.00
MCX	GOLD 05DEC2017	29506.00
MCX	SILVER 05JUL2017	38992.00
MCX	SILVER 05SEP2017	39473.00
MCX	SILVER 05DEC2017	39970.00

## Gold and Silver Fix

Exch.	Descr.	Last
CMDTY	Gold London AM FIX	1321.65
CMDTY	Gold London PM FIX	1319.75
CMDTY	Silver London FIX	17.13

## Gold / Silver Ratio

Exch.	Descr.	Last
INTL. SPOT	GOLD SILVER RATIO	77.58
MCX	MCX GOLD SILVER RATIO	75.21

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Report is prepared for information purposes only.

## Kedia Stocks & Commodities Research Pvt Ltd.

Mumbai. INDIA. Mobile: 9320096333 / 9619551030 Email: [info@kediacommodity.com](mailto:info@kediacommodity.com) URL: [www.kediaadvisory.com](http://www.kediaadvisory.com)

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