



## IBJA Market Update

### Daily Market Update

Report as on Wednesday, July 11, 2018

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Gold ended lower following moves in the dollar that have weighed on the precious metal in recent weeks amid concerns about trade wars between economic superpowers and tightening monetary policy in the U.S. A strengthening dollar proved the most significant headwind for precious metals on Tuesday with one measure of the buck, the Dollar Index rising by nearly 0.1% to 94.158. Gold on Monday accumulated modest gains even as the buck rose, but Tuesday's moves put the dollar gauge on pace to rise 0.1% for the week thus far.

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Gold ETFs see Rs 150 crore outflow in Q1; asset base slumps 12% - Gold ETFs continued to lose steam with investors pulling out nearly Rs 150 crore from the instrument in the April-June quarter, favouring equities. The assets under management (AUM) of gold funds plunged 12 per cent to Rs 4,567 crore at the end of June this year, from Rs 5,174 crore a year ago. Trading in gold ETF segment has been tepid during the last five financial years. It saw outflow of Rs835 crore in 2017-18; Rs 775 crore in 2016-17; Rs 903 crore in 2015-16; Rs 1,475 crore in 2014-15 and Rs 2,293 crore in 2013-14.

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Is GST leading to an increase in illegal gold trade? - Before the implementation of the GST on gold, it was widely feared that an increase in the tax rate would boost smuggling of the yellow metal, as traders would be tempted to evade tax. From the looks of it, those fears are coming true. Illegal business in gold has become widespread ever since GST has kicked in, points out Ahammed M.P., chairman of Malabar Gold and Diamonds. The view is echoed by economists and taxation experts. "Given that we are the second largest consumer of gold and gold imports have remained muted in recent months, it indicates that gold transactions are taking place through unorganized channels," says Madan Sabnavis, chief economist at CARE Ratings Ltd.

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Gold demand has been hurt - Gold demand has been hurt by the fear that a trade spat may hurt Beijing's economy, which already has shown signs of decelerating in recent months. China is one of the world's biggest buyers in metals, including gold. Also concerns about fraying relationships between the U.S. and its longstanding trade partners in the European Union, North American and China, have helped strengthen the dollar and have weighed on commodities priced in the monetary unit, including bullion. The dollar index has posted gains in each of the last three months, while gold futures fell in April, May and June.

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Gold at \$1,300 an ounce is on the horizon by Q4 2018 - After nearing one-year lows in June, gold is looking to get its groove back and head upwards during the rest of the summer months, according to TD Securities, which cites the lack of fuel in trade war rhetoric and a weaker U.S. dollar as supporting factors for the metal. Gold is projected to move past \$1,270 an ounce during the summer months. Indeed, we would not be surprised to see the yellow metal move into \$1,300 an ounce in the final three months of 2018, said TD Securities head of global strategy Bart Melek in a report.

Date	Gold*	Silver*
10 Jul 2018 (Tuesday)	0.00	0.00
09 Jul 2018 (Monday)	30800.00	39660.00
06 Jul 2018 (Friday)	30680.00	39295.00

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

10 Jul 2018 (Tuesday)

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Market View		Daily Levels	
Open	30650.00	<b>Resistance</b>	
High	30655.00	30905.00	
Low	30404.00	30780.00	
Close	30528.00	30654.00	
Value Change	-89.00	30403.00	
% Change	-0.29	30278.00	
Margin	5.00	30152.00	
Margin (Rs.)	152640	<b>Support</b>	
Volume	7193.00		
Open Interest	6778.00	<b>Spread</b>	
Cng in OI (%)	5.54	<b>OCT - AUG</b>	
Prev Value(MIn)	21958.80	294.00	
52 Week High	31808.00	<b>DEC - OCT</b>	
52 Week Low	29435.00	217.00	

Outlook: Gold prices inched lower as the U.S. dollar firmed amid an escalating trade spat between the United States and China. For the day prices a jump towards 30550-30580 will look to sell with a stoploss of above 30650 expecting prices to drop towards 30420-30340 level.

Gold on MCX settled down -0.29% at 30528 following moves in the dollar that have weighed on the precious metal in recent weeks amid concerns about trade wars between economic superpowers and tightening monetary policy in the U.S. A strengthening dollar proved the most significant headwind for precious metals on Tuesday with one measure of the buck, the Dollar Index rising by nearly 0.1% to 94.158. Gold on Monday accumulated modest gains even as the buck rose, but Tuesday's moves put the dollar gauge on pace to rise 0.1% for the week thus far. The Trump administration raised the stakes in its trade war with China on Tuesday, saying it would slap 10 percent tariffs on an extra \$200 billion worth of Chinese imports. Last week, Washington imposed 25 percent tariffs on \$34 billion of Chinese imports, and Beijing responded immediately with matching tariffs on the same amount of U.S. exports to China. Trump suggested on Monday that China might be seeking to derail U.S. efforts aimed at denuclearising North Korea. Gold demand has been hurt by the fear that a trade spat may hurt Beijing's economy, which already has shown signs of decelerating in recent months. China is one of the world's biggest buyers in metals, including gold. Holdings of SPDR Gold Trust, the world's largest gold-backed exchange-traded fund, dropped 0.18 percent to 800.77 tonnes on Monday, its lowest since August 2017. Technically market is under fresh selling as market has witnessed gain in open interest by 5.54% to settled at 6778 while prices down -89 rupees, now Gold is getting support at 30403 and below same could see a test of 30278 level, And resistance is now likely to be seen at 30654, a move above could see prices testing 30780.

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## Gold Spot 995

Exch.	Descr.	Last*
CMDTY	Gold 995 - Ahmedabad	31260.00
CMDTY	Gold 995 - Bangalore	31265.00
CMDTY	Gold 995 - Chennai	31280.00
CMDTY	Gold 995 - Cochin	31285.00
CMDTY	Gold 995 - Delhi	31280.00
CMDTY	Gold 995 - Hyderabad	31260.00
CMDTY	Gold 995 - Jaipur	31285.00
CMDTY	Gold 995 - Kolkata	31325.00
CMDTY	Gold 995 - Mumbai	31285.00

\* Rates including GST

## Silver Spot 999

Exch.	Descr.	Last*
CMDTY	Silver 999 - Ahmedabad	39850.00
CMDTY	Silver 999 - Bangalore	40340.00
CMDTY	Silver 999 - Chennai	40315.00
CMDTY	Silver 999 - Delhi	40340.00
CMDTY	Silver 999 - Hyderabad	40340.00
CMDTY	Silver 999 - Jaipur	40335.00
CMDTY	Silver 999 - Kolkata	40400.00
CMDTY	Silver 999 - Mumbai	40340.00

\* Rates including GST

## Bullion Futures on DGCX

Exch.	Descr.	Last
DGCX	GOLD 27JUL2018	1251.80
DGCX	GOLD 26SEP2018	1261.00
DGCX	GOLD QUANTO 30JUL2018	30522.00
DGCX	GOLD QUANTO 27SEP2018	30746.00
DGCX	SILVER 29AUG2018	15.99
DGCX	SILVER 28NOV2018	16.15
DGCX	SILVER QUANTO 30AUG2018	40436.00
DGCX	SILVER QUANTO 29NOV2018	41189.00

## Gold Spot 999

Exch.	Descr.	Last*
CMDTY	Gold 999 - Ahmedabad	31390.00
CMDTY	Gold 999 - Bangalore	31415.00
CMDTY	Gold 999 - Chennai	31430.00
CMDTY	Gold 999 - Cochin	31435.00
CMDTY	Gold 999 - Delhi	31430.00
CMDTY	Gold 999 - Hyderabad	31410.00
CMDTY	Gold 999 - Jaipur	31405.00
CMDTY	Gold 999 - Mumbai	31435.00

\* Rates including GST

## Bullion Futures on MCX

Exch.	Descr.	Last
MCX	GOLD 04AUG2017	30528.00
MCX	GOLD 05OCT2017	30822.00
MCX	GOLD 05DEC2017	31039.00
MCX	SILVER 05JUL2017	39793.00
MCX	SILVER 05SEP2017	40639.00
MCX	SILVER 05DEC2017	41475.00

## 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	78.54
MCX	MCX GOLD SILVER RATIO	76.72

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Report is prepared for information purposes only.

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