



Daily Market Update

Report as on Thursday, October 11, 2018

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Gold prices edged higher as the dollar slipped against most major currencies and global equity markets drifted lower amid mounting concerns about economic growth. The lowering of global economic growth forecast by the IMF and weak economic data from China and the eurozone have prompted investors to seek the safe haven yellow metal. The dollar edged lower against a basket of major currencies after the U.S. President Donald Trump criticized the Federal Reserve once again, saying he believes the central bank was moving too quickly with the rate hikes. Trump also repeated a threat to impose tariffs on \$267 billion worth of additional Chinese imports if Beijing retaliates for the recent levies and other measures.

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China steps up gold holdings amid trade war with US; demand rises among consumers too - The PBoC is among central banks that have been adding gold to their reserves over the past several years, according to the WGC. The Chinese central bank is aiming to diversify its reserve assets and hold the precious metal as a form of currency as well as store of value. "China is now one of the top 10 largest central banks holding gold. It has shown to be a very resilient purchaser of gold," said Matthew Mark, director of US Asset Owners/distribution at the council. The WGC is a non-profit market development organisation based in New York with gold mining companies around the world as members.

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Higher gold demand likely this Diwali as stocks plunge - Amid weakness in equity markets, jewellers expect more retail investors to buy gold this Diwali. Due to the stock price volatility, "markets may witness a flight of capital to safe assets like gold", The ET quoted Shekhar Bhandari, business head at Kotak Mahindra Bank, as saying. "The yellow metal may generate some appeal among investors." According to an ET report, last year, jewellery sales at retail level took a hit as issues such as customer verification and GST implementation impacted sentiments. During the October-December quarter of 2017, gold sale went up by 2 per cent to 249.3 tonnes. However, investment demand fell 3 per cent to 59.6 tonnes during the same period which was offset by a 4 per cent rise in jewellery demand to 189.6 tonnes.

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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.

Date	Gold*	Silver*
10 Oct 2018 (Wednesday)	31205.00	38015.00
09 Oct 2018 (Tuesday)	31205.00	37860.00
08 Oct 2018 (Monday)	31315.00	38175.00

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

10 Oct 2018 (Wednesday)

IBJA Daily Market Update



Outlook: Gold prices remained supported as some investors sought refuge in the precious metal after the global stocks tumbled and the U.S. dollar weakened. For the day prices a drop towards 31340-31280 will look to buy with a stoploss of below 31200 expecting prices to jump towards 31450-31550 level.

MCX GOLD

Market View	Daily Levels	
Open	31366.00	Resistance
High	31395.00	31557.00
Low	31267.00	31476.00
Close	31381.00	31429.00
Value Change	98.00	31301.00
% Change	0.31	31220.00
Margin	5.00	31173.00
Margin (Rs.)	156905	Support
Volume	6277.00	
Open Interest	12648.00	Spread
Cng in OI (%)	2.19	FEB - DEC
Prev Value(Mln)	19668.98	220.00
52 Week High	31881.00	APR - FEB
52 Week Low	29500.00	209.00

Gold on MCX settled up 0.31% at 31381 as some investors sought refuge in the precious metal after the global stocks tumbled and the U.S. dollar weakened. U.S. producer prices increased 0.2 percent in September, in line with expectations, while a revision to wholesale inventory estimates for August showed the biggest jump in nearly five years, beating forecasts. U.S. President Donald Trump said that Wednesday's stock market sell-off was in fact a long-awaited "correction," and that the Federal Reserve, which has been raising U.S. interest rates, had gone "crazy". U.S. Treasury yields fell late in a flight to quality as investors snapped up government bonds amid the sharp sell-off in U.S. stocks. The Fed can likely stop raising U.S. interest rates once they reach about 3 percent, as long as inflation remains around 2 percent and the economy is doing well, Chicago Federal Reserve President Charles Evans suggested. European Union Brexit negotiator Michel Barnier said on Wednesday that an agreement with Britain could be "within reach" next week, calling for decisive progress in the talks in time for a summit of all 28 EU leaders. Holdings in SPDR Gold Trust, the world's largest gold-backed exchange-traded fund, rose 1.21 percent to 738.99 tonnes. India's gold imports in September dropped more than 14 percent from a year ago as a rally in local prices due to a depreciating rupee reduced demand in the world's second-biggest consumer of bullion. Technically market is under fresh buying as market has witnessed gain in open interest by 2.19% to settled at 12648 while prices up 98 rupees, now Gold is getting support at 31301 and below same could see a test of 31220 level, And resistance is now likely to be seen at 31429, a move above could see prices testing 31476.

IBJA Daily Market Update



INT. GOLD\$		
Market View		Daily Levels
Open	1189.57	Resistance
High	1194.45	1206.31
Low	1185.50	1200.38
Close	1194.34	1197.36
Value Change	4.72	1188.41
% Change	0.00	1182.48
		1179.46
		Support

Outlook: Gold price shows slight negative trading now that hints resuming the expected bearish trend for today, waiting for more decline that targets 1180.00 levels as next main stations, reminding you that holding below 1208.40 represents the most important condition to continue the expected decline. Expected trading range for today is between 1170.00 support and 1200.00 resistance.

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IBJA Daily Market Update



The Indian rupee strengthened marginally against the US dollar, tracking gains in Asian peers. The rupee was trading at 74.19 a dollar, up 0.26% from its Tuesday's close of 74.39. Technically market is getting support at 74.245 and below same could see a test of 74.1075 level, And resistance is now likely to be seen at 74.4975, a move above could see prices testing 74.7515.

USDINR		
Market View		Daily Levels
Open	74.3600	Resistance
High	74.4750	74.75
Low	74.2225	74.61
Close	74.3825	74.50
Value Change	-0.1200	74.25
% Change	-0.16	74.11
Margin	2.51	73.99
Margin (Rs.)	1867	Support
Volume	1806588	
Open Interest	3576025	Spread
Cng in OI (%)	-1.46	NOV - OCT
Prev Value(Mln)	134346.86	0.2850
52 Week High	74.6875	DEC - NOV
52 Week Low	64.6000	0.2800

Rupee gained recovering from a record low hit at the end of the previous session, as gains in other Asian peers and stronger domestic shares helped sentiment, while the announcement of the first open market bond purchase for October aided bonds. The central bank said it would buy 120 billion rupees worth of bonds via an open market operation on Oct. 11. India's retail inflation likely sped up in September on higher food and fuel costs, pushed up by a battered rupee and suggesting further policy tightening from the Reserve Bank of India. The Indian central bank last week held interest rates unchanged, surprising many market watchers who anticipated a third consecutive hike, but shifted its stance from "neutral" to "calibrated tightening" in a nod to pricing pressures. India is likely to overshoot its fiscal deficit target for 2018/19 by a small margin following its decision to cut fuel excise duties, Moody's Investors Service said, describing the move as "credit negative". The government announced cuts in excise duty on gasoline and diesel last week, to soften the impact of sharp rise in global crude oil prices on consumers. The move came a few months before elections in three key states this year followed by national elections due by May. 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. Technically now USDINR is getting support at 74.325 and below same could see a test of 74.1475 level, And resistance is now likely to be seen at 74.5775, a move above could see prices testing 74.6525.

IBJA Daily Market Update

Gold Spot 995

Exch.	Descr.	Last*
CMDTY	Gold 995 - Ahmedabad	31970.00
CMDTY	Gold 995 - Bangalore	31950.00
CMDTY	Gold 995 - Chennai	31960.00
CMDTY	Gold 995 - Cochin	31960.00
CMDTY	Gold 995 - Delhi	31965.00
CMDTY	Gold 995 - Hyderabad	31925.00
CMDTY	Gold 995 - Jaipur	31935.00
CMDTY	Gold 995 - Kolkata	32000.00
CMDTY	Gold 995 - Mumbai	31970.00

* Rates including GST

Silver Spot 999

Exch.	Descr.	Last*
CMDTY	Silver 999 - Ahmedabad	38950.00
CMDTY	Silver 999 - Bangalore	39110.00
CMDTY	Silver 999 - Chennai	39060.00
CMDTY	Silver 999 - Delhi	39085.00
CMDTY	Silver 999 - Hyderabad	39085.00
CMDTY	Silver 999 - Jaipur	39135.00
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	1196.80
DGCX	GOLD 29JAN2019	1194.50
DGCX	GOLD QUANTO 29NOV2018	31345.00
DGCX	GOLD QUANTO 30JAN2019	31522.00
DGCX	SILVER 28NOV2018	14.34
DGCX	SILVER 26FEB2019	14.38
DGCX	SILVER QUANTO 29NOV2018	41189.00

Gold Spot 999

Exch.	Descr.	Last*
CMDTY	Gold 999 - Ahmedabad	32100.00
CMDTY	Gold 999 - Bangalore	32100.00
CMDTY	Gold 999 - Chennai	32110.00
CMDTY	Gold 999 - Cochin	32110.00
CMDTY	Gold 999 - Delhi	32115.00
CMDTY	Gold 999 - Hyderabad	32075.00
CMDTY	Gold 999 - Jaipur	32055.00
CMDTY	Gold 999 - Mumbai	32120.00

* Rates including GST

Bullion Futures on MCX

Exch.	Descr.	Last
MCX	GOLD 04AUG2017	31381.00
MCX	GOLD 05OCT2017	31601.00
MCX	GOLD 05DEC2017	31810.00
MCX	SILVER 05JUL2017	38485.00
MCX	SILVER 05SEP2017	39252.00
MCX	SILVER 05DEC2017	39754.00

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	83.56
MCX	MCX GOLD SILVER RATIO	81.54

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