



## IBJA Market Update

### Daily Market Update

Report as on Thursday, July 12, 2018

# Gold remained under some selling pressure for the second consecutive day, albeit has managed to hold its neck just above one-week lows set in the previous session. Currently trading below 1245, the commodity has lost over 1% from near two-week tops touched on Monday and seemed unaffected by reviving safe-haven demand led by escalating US-China trade tensions. The Trump administration threatened to impose additional tariffs on \$200 billion worth of Chinese imports and triggered a fresh wave of global risk aversion. The risk-off mood was evident from a sharp slide in the US Treasury bond yields but did little to revive Gold's safe-haven appeal. Meanwhile, a goodish pickup in the US Dollar demand, was seen as the only factor exerting some fresh downward pressure.

# Gold ETFs outflows hit Rs 150 cr mark; stocks to blame - 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 AUM of gold funds plunged 12% 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 Rs 835 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.

# MCX, NSE in talks to team up for bigger exchange play - NSE and MCX have held exploratory talks to combine their operations and provide a onestop shop for trading in all kinds of products. Two people close to the development said that the two exchanges have appointed global investment banks to help in the discussions. NSE has appointed Morgan Stanley while JPMorgan is advising MCX, these people said. The merger, if and when it happens, will help create a bigger exchange with 60 per cent market share spanning everything from equity derivatives to commodity futures.

# World's biggest gold ETF launching new low-fee fund - The move is a sign that cost competition among gold ETFs is heating up after a price war in the much larger equities ETF sector slashed management fees. Gold ETFs allow buyers to invest in physical gold without having to buy and store the metal. The council's SPDR Gold Trust, dominates the industry but its share of total bullion held by gold-backed funds has slipped below 50 percent from 75 percent at the start of the decade, Reuters data show. GLD's gold holdings have risen 5 percent since the start of last year while rival iShares Gold Trust, has grown 47 percent, by far the fastest growth among the five biggest gold ETFs tracked by Reuters.

# Gold remain unaffected by reviving safe-haven demand led by escalating US-China trade tensions - The Trump administration threatened to impose additional tariffs on \$200 billion worth of Chinese imports and triggered a fresh wave of global risk aversion. The risk-off mood was evident from a sharp slide in the US Treasury bond yields but did little to revive the non-yielding yellow metal's safe-haven appeal. Meanwhile, a goodish pickup in the US Dollar demand, which tends to dent demand for dollar-denominated commodities, was seen as the only factor exerting some fresh downward pressure through the early European session on Wednesday. It would now be interesting to see if the commodity is able to find any buying interest at lower levels or the current pull-back marks the end of recent corrective bounce from YTD lows.

Date	Gold*	Silver*
11 Jul 2018 (Wednesday)	30530.00	39130.00
10 Jul 2018 (Tuesday)	0.00	0.00
09 Jul 2018 (Monday)	30800.00	39660.00

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

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Market View		Daily Levels
Open	30479.00	<b>Resistance</b>
High	30515.00	30677.00
Low	30291.00	30596.00
Close	30310.00	30453.00
Value Change	-218.00	30229.00
% Change	-0.71	30148.00
Margin	5.00	30005.00
Margin (Rs.)	151550	<b>Support</b>
Volume	5492.00	
Open Interest	6887.00	<b>Spread</b>
Cng in OI (%)	1.61	<b>OCT - AUG</b>
Prev Value(Mln)	16703.50	298.00
52 Week High	31808.00	<b>DEC - OCT</b>
52 Week Low	29435.00	288.00

Outlook: Gold prices held steady as the U.S. dollar strengthened, amid an intensifying trade war between the world's two biggest economies. For the day prices a jump towards 30350-30380 will look to sell with a stoploss of above 30500 expecting prices to drop towards 30280-30200 level

Gold on MCX settled down -0.71% at 30310 after the United States threatened to impose additional tariffs on Chinese goods, escalating trade tensions between the world's two largest economies. The Trump administration raised the stakes in its trade dispute with China, threatening 10 percent tariffs on a list of \$200 billion worth of Chinese imports. China accused the United States of bullying and warned it would hit back after the Trump administration raised the stakes in their trade dispute, threatening 10 percent tariffs on \$200 billion of Chinese goods in a move that rattled global markets. A struggle by employers to fill jobs shows the U.S. economy is strong, and the rise in housing and stock prices is not a sign of a risky build-up in leverage in the financial system, the head of the New York Federal Reserve Bank said. European Central Bank policymakers are split over when the ECB might raise interest rates next year, with some saying an increase is possible as early as July 2019 and others ruling out a move until autumn. US data showed producer prices rose 0.3% in June, slowing down from 0.5% in May and beating estimates of 0.2%, while core prices rose 0.3%, same as before and also beating forecasts of 0.2%. Russia produced 92.56 tonnes of gold in the first five months of 2018, up from 90.39 tonnes in the same period in 2017, the finance ministry said. The US consumer price index (CPI) in June and its weekly initial claims for unemployment benefits are the key factors to watch today. Technically now Gold is getting support at 30229 and below same could see a test of 30148 level, And resistance is now likely to be seen at 30453, a move above could see prices testing 30596.

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## Gold Spot 995

Exch.	Descr.	Last*
CMDTY	Gold 995 - Ahmedabad	31310.00
CMDTY	Gold 995 - Bangalore	31275.00
CMDTY	Gold 995 - Chennai	31295.00
CMDTY	Gold 995 - Cochin	31300.00
CMDTY	Gold 995 - Delhi	31300.00
CMDTY	Gold 995 - Hyderabad	31280.00
CMDTY	Gold 995 - Jaipur	31300.00
CMDTY	Gold 995 - Kolkata	31335.00
CMDTY	Gold 995 - Mumbai	31310.00

\* Rates including GST

## Silver Spot 999

Exch.	Descr.	Last*
CMDTY	Silver 999 - Ahmedabad	39800.00
CMDTY	Silver 999 - Bangalore	40300.00
CMDTY	Silver 999 - Chennai	40260.00
CMDTY	Silver 999 - Delhi	40300.00
CMDTY	Silver 999 - Hyderabad	40330.00
CMDTY	Silver 999 - Jaipur	40315.00
CMDTY	Silver 999 - Kolkata	40350.00
CMDTY	Silver 999 - Mumbai	40275.00

\* Rates including GST

## Bullion Futures on DGCX

Exch.	Descr.	Last
DGCX	GOLD 27JUL2018	1243.80
DGCX	GOLD 26SEP2018	1249.60
DGCX	GOLD QUANTO 30JUL2018	30311.00
DGCX	GOLD QUANTO 27SEP2018	30535.00
DGCX	SILVER 29AUG2018	15.83
DGCX	SILVER 28NOV2018	15.86
DGCX	SILVER QUANTO 30AUG2018	40436.00
DGCX	SILVER QUANTO 29NOV2018	41189.00

## Gold Spot 999

Exch.	Descr.	Last*
CMDTY	Gold 999 - Ahmedabad	31440.00
CMDTY	Gold 999 - Bangalore	31425.00
CMDTY	Gold 999 - Chennai	31445.00
CMDTY	Gold 999 - Cochin	31450.00
CMDTY	Gold 999 - Delhi	31450.00
CMDTY	Gold 999 - Hyderabad	31430.00
CMDTY	Gold 999 - Jaipur	31420.00
CMDTY	Gold 999 - Mumbai	31460.00

\* Rates including GST

## Bullion Futures on MCX

Exch.	Descr.	Last
MCX	GOLD 04AUG2017	30310.00
MCX	GOLD 05OCT2017	30608.00
MCX	GOLD 05DEC2017	30896.00
MCX	SILVER 05JUL2017	39290.00
MCX	SILVER 05SEP2017	40147.00
MCX	SILVER 05DEC2017	41080.00

## 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	78.65
MCX	MCX GOLD SILVER RATIO	77.14

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Report is prepared for information purposes only.

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