



**Daily Bullion Physical Market Report**

Report as on Thursday, June 13, 2019

|  |   |              |  |              |
|--|---|--------------|--|--------------|
| <br><b>IMPORTER EXPORTER</b> | <b>Important Resistance for MCX Gold Where Physical Player can look to fix his Sell Price</b> | <b>32851</b> | <b>Important Support for MCX Gold Where Physical Player can look to fix his Buying Price</b> | <b>32639</b> |
|  |   | <b>32893</b> |  | <b>32597</b> |
| <br><b>IMPORTER EXPORTER</b> | <b>Important Resistance for Rupee Where Exporter can look to book his today's receivable</b>  | <b>69.45</b> | <b>Important Support for Rupee Where Importer can look to book his today's payment</b>       | <b>69.25</b> |
|  |   | <b>69.55</b> |  | <b>69.15</b> |

| Gold Spot 995 |                      |          | Gold Spot 999 |                      |       |
|---------------|----------------------|----------|---------------|----------------------|-------|
| Exch.         | Descr.               | LTP*     | Exch.         | Descr.               | LTP*  |
| CMDTY         | Gold 995 - Ahmedabad | 33570.00 | CMDTY         | Gold 999 - Ahmedabad | 33700 |
| CMDTY         | Gold 995 - Bangalore | 33550.00 | CMDTY         | Gold 999 - Bangalore | 33700 |
| CMDTY         | Gold 995 - Chennai   | 33600.00 | CMDTY         | Gold 999 - Chennai   | 33750 |
| CMDTY         | Gold 995 - Cochin    | 33610.00 | CMDTY         | Gold 999 - Cochin    | 33760 |
| CMDTY         | Gold 995 - Delhi     | 33550.00 | CMDTY         | Gold 999 - Delhi     | 33700 |
| CMDTY         | Gold 995 - Hyderabad | 33565.00 | CMDTY         | Gold 999 - Hyderabad | 33715 |
| CMDTY         | Gold 995 - Jaipur    | 33570.00 | CMDTY         | Gold 999 - Jaipur    | 33690 |
| CMDTY         | Gold 995 - Mumbai    | 33530.00 | CMDTY         | Gold 999 - Mumbai    | 33680 |

\* Rates including GST

| Silver Spot 999        |          |
|------------------------|----------|
| Descr.                 | LTP*     |
| Silver 999 - Ahmedabad | 37850.00 |
| Silver 999 - Bangalore | 37750.00 |
| Silver 999 - Chennai   | 37700.00 |
| Silver 999 - Delhi     | 37750.00 |
| Silver 999 - Hyderabad | 37765.00 |
| Silver 999 - Jaipur    | 37710.00 |
| Silver 999 - Kolkata   | 37900.00 |
| Silver 999 - Mumbai    | 37720.00 |

| Gold Ratios       |
|-------------------|
| Gold Silver Ratio |
| 89.17             |
| Gold Crude Ratio  |
| 9.24              |

| Bullion Futures on DGCX    |                       |          |
|----------------------------|-----------------------|----------|
| Exch.                      | Descr.                | LTP      |
| DGCX                       | GOLD 29JUL2019        | 1340.30  |
| DGCX                       | GOLD QUANTO 30JUL2019 | 32694.00 |
| DGCX                       | SILVER 26JUN2019      | 14.74    |
| <b>Gold and Silver Fix</b> |                       |          |
|                            | Descr.                | LTP      |
|                            | Gold London AM FIX    | 1334.3   |
|                            | Gold London PM FIX    | 1340.65  |
|                            | Silver London FIX     | 14.76    |

\* Rates including GST

| Date                           | Gold*    | Silver*  |
|--------------------------------|----------|----------|
| <b>12 Jun 2019 (Wednesday)</b> | 32713.00 | 36675.00 |
| <b>11 Jun 2019 (Tuesday)</b>   | 32484.00 | 36450.00 |
| <b>10 Jun 2019 (Monday)</b>    | 32654.00 | 36685.00 |

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

12 Jun 2019 (Wednesday)

Gold Market Update



| Market View   |  |          |
|---------------|--|----------|
| Open          |  | 32674.00 |
| High          |  | 32848.00 |
| Low           |  | 32674.00 |
| Close         |  | 32745.00 |
| Value Change  |  | 113.00   |
| % Change      |  | 0.35     |
| Oct-Aug       |  | 165.00   |
| Dec-Oct       |  | 171.00   |
| Volume        |  | 10412    |
| Open Interest |  | 15845    |
| Cng in OI (%) |  | 1.23     |

BUY GOLD AUG 2019 @ 36650 SL 32500 TGT 32800-32900.MCX

Today's View & Outlook

Gold price continues to rise to gradually approach our waited target at 1346.70, and it gets continuous support by the EMA50, to keep the bullish trend active for the rest of the day, which its targets extend to reach 1365.25 after surpassing the previous level, while its continuation conditions holding above 1320.30. The expected trading range for today is between 1320.00 support and 1346.00 resistance.

Gold on MCX settled up 0.35% at 32745 as worries over U.S.-China trade war flared up, curbing risk appetite and increasing the appeal of safe-haven bullion. Prices seen supported as both warring factions in the Sino-U.S. trade tussle engaged in another round of heated exchanges. Trump also emphasised that he was holding up a trade deal with China and had no interest in moving ahead unless Beijing agrees again to four or five "major points," which he did not specify. Fed policymakers will meet on June 18-19 against the backdrop of rising trade tensions, slowing U.S. growth and a sharp step-down in hiring last month that have led markets to price in at least two rate cuts by the end of 2019. Holdings of SPDR Gold Trust, the world's largest gold-backed exchange-traded fund, fell marginally to 756.18 tonnes on Tuesday from 756.42 tonnes. Gold prices in India flipped into discounts this week as a rally in local prices dampened demand, while premiums in other major Asian hubs declined as a price surge prompted investors to sell back bullion. Dealers were offering a discount of 50 cents an ounce over official domestic prices, compared with a premium of up to 50 cents last week. India's gold imports in May jumped 49% from a year earlier to 116 tonnes as a correction in local prices during a key festival boosted retail demand, a government source said. Technically market is under fresh buying as market has witnessed gain in open interest by 1.23% to settled at 15845 while prices up 113 rupees, now Gold is getting support at 32664 and below same could see a test of 32582 level, And resistance is now likely to be seen at 32838, a move above could see prices testing 32930.

Silver Market Update



| Market View   |  |          |
|---------------|--|----------|
| Open          |  | 36820.00 |
| High          |  | 36959.00 |
| Low           |  | 36726.00 |
| Close         |  | 36755.00 |
| Value Change  |  | 20.00    |
| % Change      |  | 0.05     |
| Sep-Jul       |  | 417.00   |
| Dec-Sep       |  | 612.00   |
| Volume        |  | 16478    |
| Open Interest |  | 22135    |
| Cng in OI (%) |  | -0.54    |

BUY SILVER JUL 2019 @ 36550 SL 36350 TGT 36950-37150.MCX

Today's View & Outlook

Silver price settles above 14.73 level, and it continues to move inside the bullish channel that appears on the chart, thus, no change to the bullish trend scenario that depends on the price stability above the mentioned level and above 14.65, while the main waited target is located at 15.23. The expected trading range for today is between 14.65 support and 15.00 resistance.

Silver gained as the dollar hung near an 11-week low weighed by expectations the U.S. Federal Reserve could cut interest rates some time in the next few months. On the data front, US producer prices rose for a second straight month in May, though pressure on prices remained tepid. The Labor Department said that its producer price index for the American economy, a gauge of prices that businesses receive for their goods, rose a seasonally adjusted 0.1% in May from a month earlier, boosted by higher costs of hotel accommodation and gains in other services. In the 12 months through May, the PPI climbed 1.8%, slowing from 2.2% in April. The index has been under pressure following a sharp decline in long-term U.S. Treasury yields, which fell to near two-year lows on Friday after a soft U.S. jobs report raised expectations for an interest rate cut by the Fed. Investor focus is now on the Fed's next policy meeting on June 18-19 and what kind of signals the central bank could offer on the direction of monetary policy. Expectations for a central bank rate cut this year rose last week after a number of Fed officials, including Chairman Jerome Powell, hinted they were open to easing monetary policy. Investor morale in the eurozone deteriorated sharply in June as the US-China trade dispute escalated, a survey showed. Technically market is under short covering as market has witnessed drop in open interest by -0.54% to settled at 22135 while prices up 20 rupees, now Silver is getting support at 36667 and below same could see a test of 36580 level, And resistance is now likely to be seen at 36900, a move above could see prices testing 37046.

USDINR Update



| Market View   |  |         |
|---------------|--|---------|
| Open          |  | 69.5425 |
| High          |  | 69.5650 |
| Low           |  | 69.3850 |
| Close         |  | 69.4650 |
| Value Change  |  | -0.1075 |
| % Change      |  | -0.15   |
| Jul-Jun       |  | 0.25    |
| Aug-Jul       |  | 0.22    |
| Volume        |  | 1160044 |
| Open Interest |  | 1413689 |
| Cng in OI (%) |  | 0.46    |

SELL USDINR JUN 2019 @ 69.60 SL 69.75 TGT 69.42-69.30. NSE

Today's View & Outlook

The Indian rupee appreciated by 10 paise to close at 69.34 to the US dollar, marking the second straight session of gains driven by easing crude prices. While Indian shares fell to snap a three-session winning streak amid weak global cues and ahead of the release of industrial output and numbers. Globally, markets fell after the Trump administration escalated threats to hit Beijing with new tariffs and China's foreign ministry said it would respond firmly if the U.S. insisted on escalating its standoff with China. While USDINR settled down -0.15% at 69.465 now technically market is getting support at 69.435 and below same could see a test of 69.32 level, And resistance is now likely to be seen at 69.615, a move above could see prices testing 69.68.

Rupee traded in range on buying by nationalised banks and overseas fund outflows from local stocks. Adding to that, ongoing trade tensions between the US and China weighed on the global markets and put pressure on the Indian equities as well. The greenback continued trading lower weighed on by expectation of a Fed rate cut in the coming months. Investor focus is now on the Fed's next policy meeting on June 18-19 and on the signals the central bank could offer on the direction of monetary policy. India's top ranking economic advisory council will examine former chief economic adviser Arvind Subramanian's research findings that the country's economic growth has been overstated, the government said in a statement. India will issue 'point-to-point' rebuttal on the issue in due course, the government said. In a column published in a newspaper earlier this week, Subramanian said his research indicated that the change in the methodology led to GDP growth being overstated by about 2.5 percentage points per year between 2011/12 and 2016/17. India's slowing economic growth is of serious concern and the country needs to urgently cut tax and interest rates to revive the economy. The economy grew 6.6% in the three months to December - the slowest pace in five quarters - and the Federation of Indian Chambers of Commerce & Industry (FICCI) said the bigger worry was that domestic consumption was not growing fast enough to offset a weakening global economic environment. Technically now USDINR is getting support at 69.435 and below same could see a test of 69.32 level, And resistance is now likely to be seen at 69.615, a move above could see prices testing 69.68.

**Bullion News**

# Gold prices moved higher gained in the line of expectation by 0.35% settled at 32745 rising for a second successive session, as worries about an escalation in trade tensions prompted traders to seek the safe haven assets. Traders rushed for gold also due to geopolitical worries amid news about protests in Hong Kong, opposing a proposed extradition bill that has sparked concerns over China's control of the semi-autonomous industry, and the missile attack allegedly by Yemen's Iran-allied rebels at a Saudi airport that wounded more than 25 persons. The dollar's rebound limited the yellow metal's gains. The dollar, which suffered losses against major currencies on Tuesday, came back fairly strongly today despite prospects of an interest rate cut sometime in the foreseeable future.

# Govt to crackdown on gold tax evasion - Finance Minister T.M. Thomas Isaac on Wednesday told the Assembly that the government would constitute a special team to build a strong case against businesses that dodge tax on gold. Capping the discussions on demands for grants in the Budget for Goods and Services Tax (GST), Sales Tax and Agricultural Income Tax, Dr. Isaac said the public exchequer had registered a steep fall in GST on gold. When Value Added Tax (VAT) was the norm, the government had earned ₹630 crore as tax on gold jewellery. With the advent of GST, gold tax collection had fallen to ₹272 crore. The government could not accept the massive tax evasion. It would constitute a team of revenue enforcers, including IRS officials, to dismantle the racket. If required, the team would conduct surprise inspections, raids and slap criminal charges on violators.

# Politicians clarify positions as IMA Jewels scandal gets murkier - Senior Congress leader R. Roshan Baig on Wednesday demanded that IMA Jewels scandal be handed over to the Central Bureau of Investigation (CBI). The demand comes a day after Karnataka chief minister H.D. Kumaraswamy announced the formation of a special investigation team (SIT) to probe the Bengaluru-based company that has allegedly defrauded thousands of people to the tune of at least ₹700 crore. "The government has formed the SIT and I welcome that. However, along with IMA there are many other companies and they have duped many people," Baig said in Bengaluru on Wednesday. The main accused, Mohammed Mansoor Khan, had named Baig as part of the conspiracy to drive the former out of the city and also alleged that the legislator had borrowed ₹400 crore from IMA.

# Dore makes up majority of gold sales - Having recorded a 25 per cent rise in 2018, dore imports, for the first time in India, accounted for majority gold consumption by the domestic sector. Imports by both banks and premier export houses declined last year. Of the total gold imports of 757 tonnes in 2018, 512 tonnes was consumed by the domestic market. Of this, 281 tonnes or 55 per cent was supplied by refiners, who had imported gold in dore form. Gold dore is a semi-pure alloy which is refined for further purification. Refined gold bars are manufactured from gold dore bar. According to precious metals agency GFMS, this is the first time that refiners accounted for the majority of domestic demand. Dore imports have been growing for the past eight years with the emergence of gold refineries.

# GJEPC recommends Fin Min duty drawback at airports for tourists buying jewellery from India - Duty drawback refund at airports to foreign tourists who are buying jewellery from India against taxation of 13% (import duty of 10% plus 3% IGST), was one of the key recommendations made by Gems and Jewellery Export Promotion Council of India (GJEPC) during the pre-budget consultation meet with Finance Minister Nirmala Sitharaman. The Finance Minister convened a meeting here with leaders of different industry segments as part of the pre-budget consultations. The meeting was attended by Minister of State for Finance and Corporate Affairs, Anurag Thakur as well as all important functionaries of the government representing the Finance, Revenue, Commerce and other departments.

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