



## IBJA Market Update

### Daily Market Update

Report as on Thursday, July 13, 2017

# Polled Premium/Discount for 995 gold in Ahmedabad 0.25 USD/troy oz on July 12, 2017.

# Gold prices continuous to hold gains this week after comments from Fed Chair Janet Yellen curbed speculation that US interest rates would rise more than once this year. In testimony for delivery to Congress, Yellen said the Fed would not need to lift rates all that much further to reach current low estimates of the neutral fed funds rate. That weighed on the dollar and US Treasury yields, helping lift gold further from Monday's near four-month low.

# Indian gold traders are likely to have brought purchases forward because a goods and services tax was introduced on gold purchases in India on 1 July. Many market observers expect imports to be significantly lower in the second half of the year, meaning that the gold price will lack this important crutch for some time.

# Selling of old jewellery or bullion will attract a 3 per cent GST on the value realised, Revenue Secretary Hasmukh Adhia said. But, if the jewellery is sold and new one bought through the proceeds, the 3 per cent tax paid will be deducted from the Goods and Services Tax (GST) payable on buying new jewellery. "Supposing I am a jeweller. Somebody comes to me with old jewellery, it is as good as buying gold. You can later claim input tax credit," he said at the GST Master Class.

# West Bengal government is planning to exempt the gems and jewellery industry from state goods and services tax (SGST). While an official communication to this effect is yet to be made, the government is working on it and will make the decision public in the coming months. Vandana Yadav, MD, West Bengal Industrial Development Corporation Ltd (WBIDC), said there was a waiver under the value-added tax (VAT) era and the government plans to extend the same under the GST regime.

# Premium on gold has disappeared since the beginning of this month even as banks and nominated agencies are importing the precious metal in limited quantities, indicating that jewellers have unsold gold with them and demand has slowed since the GST regime was rolled out on July 1. In the last week of June, dealers were charging a premium of up to \$10 an ounce over official domestic prices, the highest since the middle of November 2016. Surendra Mehta, national secretary, IBJA said, "Ample im ports took place before June 30, that is in the VAT regime. That volume is good enough to meet the demand."

Date	Gold	Silver
12 Jul 2017 (Wednesday)	28045.00	36830.00
11 Jul 2017 (Tuesday)	27910.00	36210.00
10 Jul 2017 (Monday)	27845.00	35690.00

\* The above rate are IBJA PM rates

12 Jul 2017 (Wednesday)

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**Outlook: Gold remained supported after U.S. Federal Reserve Chair said the central bank would only gradually tighten monetary policy, curbing speculation that interest rates would rise more than once this year, for today one should go long near to 27750 level with stoploss below 27600 level for a jump till 28050 level.**

Market View		Daily Levels
Open	27915.00	<b>Resistance</b>
High	27977.00	28127.00
Low	27802.00	28052.00
Close	27851.00	27952.00
Value Change	17.00	27777.00
% Change	0.06	27702.00
Margin	5.00	27602.00
Margin (Rs.)	139255	<b>Support</b>
Volume	9286.00	
Open Interest	6812.00	<b>Spread</b>
Cng in OI (%)	-1.43	<b>OCT - AUG</b>
Prev Value(MIn)	25900.70	192.00
52 Week High	32011.00	<b>DEC - OCT</b>
52 Week Low	27603.00	222.00

Gold on MCX settled flat up at 27842 in yesterday's session as somewhat positive economic data solidified expectations for another interest rate hike before year's end. The sell-off in the precious metals prices also seems to have run their course, with underlying tails on recent days' candlesticks suggesting dip buying interest. The dollar's resumption of its weaker trend is also likely to be a supporting factor, as is the latest uptick in the Washington political scene over Donald Trump Jr's dealings with the Russians ahead of last year's US election. Meanwhile support seen in yesterday sessions after comments from Federal Reserve Chair Janet Yellen curbed speculation that US interest rates would rise more than once this year. In congressional testimony, Yellen said that given current estimates the Fed would not need to lift rates all that much further to reach a neutral level that neither encourages nor discourages economic activity. Meanwhile Investors have sharply scaled back bets on higher prices, reducing their net long positions in COMEX gold in the week to July 3 by more than half to the smallest bullish stance since January. Holdings of gold at the world's largest bullion-backed ETF SPDR Gold Trust, fell 2 percent in the week to Friday. Technically market is under short covering as market has witnessed drop in open interest and prices are getting support at 27771 and below same could see a test of 27699 level, And resistance is now likely to be seen at 27946, a move above could see prices testing 28049.

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## Gold Spot 995

Exch.	Descr.	Last
CMDTY	Gold 995 - Ahemdabad	28700.00
CMDTY	Gold 995 - Bangalore	28700.00
CMDTY	Gold 995 - Chennai	28680.00
CMDTY	Gold 995 - Cochin	28710.00
CMDTY	Gold 995 - Delhi	28760.00
CMDTY	Gold 995 - Hyderabad	28690.00
CMDTY	Gold 995 - Jaipur	28695.00
CMDTY	Gold 995 - Kolkata	28800.00
CMDTY	Gold 995 - Mumbai	28735.00

## Silver Spot 999

Exch.	Descr.	Last
CMDTY	Silver 999 - Ahemdabad	37800.00
CMDTY	Silver 999 - Bangalore	37850.00
CMDTY	Silver 999 - Chennai	37775.00
CMDTY	Silver 999 - Delhi	37800.00
CMDTY	Silver 999 - Hyderabad	37860.00
CMDTY	Silver 999 - Jaipur	37765.00
CMDTY	Silver 999 - Kolkata	38100.00
CMDTY	Silver 999 - Mumbai	37800.00

## Bullion Futures on DGCX

Exch.	Descr.	Last
DGCX	GOLD 27JUL2017	1222.90
DGCX	GOLD 27SEP2017	1224.40
DGCX	GOLD QUANTO 28JUL2017	27836.00
DGCX	GOLD QUANTO 28SEP2017	27953.00
DGCX	SILVER 29AUG2017	15.91
DGCX	SILVER 28NOV2017	15.93
DGCX	SILVER QUANTO 30AUG2017	36727.00
DGCX	SILVER QUANTO 29NOV2017	37380.00

## Gold Spot 999

Exch.	Descr.	Last
CMDTY	Gold 999 - Ahemdabad	28830.00
CMDTY	Gold 999 - Bangalore	28850.00
CMDTY	Gold 999 - Chennai	28830.00
CMDTY	Gold 999 - Cochin	28860.00
CMDTY	Gold 999 - Delhi	28910.00
CMDTY	Gold 999 - Hyderabad	28840.00
CMDTY	Gold 999 - Jaipur	28805.00
CMDTY	Gold 999 - Mumbai	28885.00

## Bullion Futures on MCX

Exch.	Descr.	Last
MCX	GOLD 04AUG2017	27851.00
MCX	GOLD 05OCT2017	28043.00
MCX	GOLD 05DEC2017	28265.00
MCX	SILVER 05JUL2017	
MCX	SILVER 05SEP2017	36968.00
MCX	SILVER 05DEC2017	37621.00

## Gold and Silver Fix

Exch.	Descr.	Last
CMDTY	Gold London AM FIX (US DOLLARS PER TROY OUNCE)	1219.40
CMDTY	Gold London PM FIX (US DOLLARS PER TROY OUNCE)	1218.80
CMDTY	Silver London FIX (US DOLLARS PER TROY OUNCE)	15.83

## Gold / Silver Ratio

Exch.	Descr.	Last
INTL.SPOT	GOLD SILVER RATIO	76.65
MCX	MCX GOLD SILVER RATIO	#VALUE!

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