



## IBJA Market Update

### Daily Market Update

Report as on Monday, November 13, 2017

#### # Polled Premium/Discount for 995 gold in Ahmedabad 0.50 USD/troy oz on November 10, 2017

# Gold prices fell sharply on Friday as a large sell order with an unclear catalyst jolted the market ahead of the weekend. Prices of the precious metal rose to a three-week high on Thursday amid increased geopolitical risks, particularly in the Middle East. The selloff in gold coincided with a move lower in the dollar, which was hit by growing doubts over whether Republicans will be able to push through their tax overhaul this year.

# Gold consumption shines in China - Consumption for gold products in the Chinese market has increased by 23.1 percent year-on-year in the third quarter, the World Gold Council reported. According to the report released by World Gold Council on Thursday, the global demand for gold in the third quarter has dropped by nine percent to 915 metric tons year-on-year, its lowest point in eight years. However, the Chinese market has seen a strong comeback as the demand for gold bars and coins has witnessed a 57 percent uptick year-on-year to 64.3 tons. Gold accessories have also seen a 13 percent growth to 159.3 tons. This has made China the biggest contributor to global demand this quarter.

# Jewellers say they haven't smiled since Modi's demonetisation drive - For jewellers in the world's second-largest gold market, business is yet to recover from the slump that followed India's decision to ban high-value currency notes a year ago. Ask Bachhraj Bamalwa, who has spent four decades in the industry. As Prime Minister Narendra Modi prepared to address the nation last November to announce demonetization, Bamalwa was busy wrapping up a quiet and uneventful day. Recovering from heart surgery, the 57-year-old father of two was home by the time the premier finished his speech.

# Gold demand in Q3 at eight-year low; ETF inflows slowed sharply - The third quarter saw a 9% year-on-year (y-o-y) drop in gold demand to 915 tonnes (t). Year-to-date demand was down by 12%. ETFs had another quarter of positive inflows, but at 18.9t, they fell far short of the 144.3t influx in Q3 2016. A softer quarter in the jewellery sector (-3%) accounted for 17t of the y-o-y decline. Demand from other sectors firmed: central banks bought a healthy 111t of gold (+25% y-o-y) while bar and coin investment strengthened by 17% (to 222.3t), albeit from a low base.

# Jewellery demand fell 3%, weakened by a sharp drop in India - The H1 recovery in Indian jewellery demand was derailed in Q3 by regulatory intervention. After three consecutive quarters of growth, demand fell by 25% y-o-y to 114.9t in the third quarter. The introduction of the 3% GST at the beginning of July was a contributing factor. As we noted in Gold Demand Trends Q2 2017, a large swathe of Indian consumers had pre-empted the introduction of GST by bringing forward their gold purchases to Q2. This left demand a little flat at the beginning of July. The jewellery trade also struggled with the new tax system. While large, organised retailers, with their sophisticated accounting and inventory-management systems, were well equipped to cope with the transition to GST, smaller, unorganised retailers faced difficulties.

| Date                    | Gold*    | Silver*  |
|-------------------------|----------|----------|
| 10 Nov 2017 (Friday)    | 29670.00 | 39545.00 |
| 09 Nov 2017 (Thursday)  | 29630.00 | 39575.00 |
| 08 Nov 2017 (Wednesday) | 29535.00 | 39580.00 |

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

10 Nov 2017 (Friday)

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| Market View     |          | Daily Levels      |  |
|-----------------|----------|-------------------|--|
| Open            | 29625.00 | <b>Resistance</b> |  |
| High            | 29696.00 | 29866.00          |  |
| Low             | 29466.00 | 29781.00          |  |
| Close           | 29491.00 | 29636.00          |  |
| Value Change    | -170.00  | 29406.00          |  |
| % Change        | -0.57    | 29321.00          |  |
| Margin          | 5.00     | 29176.00          |  |
| Margin (Rs.)    | 147455   | <b>Support</b>    |  |
| Volume          | 7662.00  | <b>Spread</b>     |  |
| Open Interest   | 5024.00  | <b>FEB - DEC</b>  |  |
| Cng in OI (%)   | -9.44    | <b>APR - FEB</b>  |  |
| Prev Value(Mln) | 22670.83 | 167.00            |  |
| 52 Week High    | 30629.00 | 127.00            |  |
| 52 Week Low     | 27953.00 |                   |  |

Gold prices turned lower as U.S. Treasury bond yields rose, but losses were limited by weaker stock markets and the dollar, which fell due to uncertainty over U.S. tax reform. The dollar was set for its first weekly fall in a month as disappointment that a landmark U.S. tax overhaul may be delayed until 2019 put a brake on the currency's recent rally. Uncertainty over the tax plans also hit U.S. stock markets and helped end the longest run of global share price gains since 2003. Expectations of lower taxes, one of President Donald Trump's key promises, have helped power the S&P more than 20 percent since the 2016 presidential election. Gold demand slid to its lowest in eight years in the last quarter as jewellery buying fell and inflows into bullion-backed exchange traded funds dried up, data from the World Gold Council showed. Overall demand fell 9 percent to 915 tonnes, its weakest since the third quarter of 2009, the WGC said. India's gold imports in the last quarter of 2017 could drop by a fourth from a year ago due to weak demand during key festivals and as investors seek better returns from riskier assets like equities, industry officials said. Lower gold purchases by India, the world's second-biggest consumer after China, could drag global prices that have already fallen nearly 6 percent from this year's peak. In the first nine months of 2017, the country's gold imports surged 131 percent to 638.4 tonnes, according to GFMS data, as jewellers advanced buying in the first half of the year ahead of a sales tax hike that took effect from July 1. Technically now Gold is getting support at 1269.75 and below same could see a test of 1264.05 level, And resistance is now likely to be seen at 1284.1, a move above could see prices testing 1292.75.

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## Gold Spot 995

| Exch. | Descr.               | Last*    |
|-------|----------------------|----------|
| CMDTY | Gold 995 - Ahemdabad | 30280.00 |
| CMDTY | Gold 995 - Bangalore | 30270.00 |
| CMDTY | Gold 995 - Chennai   | 30500.00 |
| CMDTY | Gold 995 - Cochin    | 30450.00 |
| CMDTY | Gold 995 - Delhi     | 30445.00 |
| CMDTY | Gold 995 - Hyderabad | 30270.00 |
| CMDTY | Gold 995 - Jaipur    | 30450.00 |
| CMDTY | Gold 995 - Kolkata   | 30340.00 |
| CMDTY | Gold 995 - Mumbai    | 30285.00 |

\* Rates including GST

## Silver Spot 999

| Exch. | Descr.                 | Last*    |
|-------|------------------------|----------|
| CMDTY | Silver 999 - Ahemdabad | 40330.00 |
| CMDTY | Silver 999 - Bangalore | 40625.00 |
| CMDTY | Silver 999 - Chennai   | 40405.00 |
| CMDTY | Silver 999 - Delhi     | 40600.00 |
| CMDTY | Silver 999 - Hyderabad | 40400.00 |
| CMDTY | Silver 999 - Jaipur    | 40640.00 |
| CMDTY | Silver 999 - Kolkata   | 40550.00 |
| CMDTY | Silver 999 - Mumbai    | 40380.00 |

\* Rates including GST

## Bullion Futures on DGCX

| Exch. | Descr.                  | Last     |
|-------|-------------------------|----------|
| DGCX  | GOLD 28NOV2017          | 1275.80  |
| DGCX  | GOLD 29JAN2018          | 1280.00  |
| DGCX  | GOLD QUANTO 29NOV2017   | 29517.00 |
| DGCX  | GOLD QUANTO 30JAN2018   | 29798.00 |
| DGCX  | SILVER 28NOV2017        | 16.90    |
| DGCX  | SILVER 26FEB2018        | 17.06    |
| DGCX  | SILVER QUANTO 29NOV2017 | 39700.00 |
| DGCX  | SILVER QUANTO 27FEB2018 | 40386.00 |

## Gold Spot 999

| Exch. | Descr.               | Last*    |
|-------|----------------------|----------|
| CMDTY | Gold 999 - Ahemdabad | 30430.00 |
| CMDTY | Gold 999 - Bangalore | 30420.00 |
| CMDTY | Gold 999 - Chennai   | 30650.00 |
| CMDTY | Gold 999 - Cochin    | 30600.00 |
| CMDTY | Gold 999 - Delhi     | 30585.00 |
| CMDTY | Gold 999 - Hyderabad | 30420.00 |
| CMDTY | Gold 999 - Jaipur    | 30570.00 |
| CMDTY | Gold 999 - Mumbai    | 30435.00 |

\* Rates including GST

## Bullion Futures on MCX

| Exch. | Descr.           | Last     |
|-------|------------------|----------|
| MCX   | GOLD 04AUG2017   | 29491.00 |
| MCX   | GOLD 05OCT2017   | 29658.00 |
| MCX   | GOLD 05DEC2017   | 29785.00 |
| MCX   | SILVER 05JUL2017 | 39507.00 |
| MCX   | SILVER 05SEP2017 | 40201.00 |
| MCX   | SILVER 05DEC2017 | 40663.00 |

## Gold and Silver Fix

| Exch. | Descr.             | Last    |
|-------|--------------------|---------|
| CMDTY | Gold London AM FIX | 1284.45 |
| CMDTY | Gold London PM FIX | 1284.30 |
| CMDTY | Silver London FIX  | 17.00   |

## Gold / Silver Ratio

| Exch.      | Descr.                | Last  |
|------------|-----------------------|-------|
| INTL. SPOT | GOLD SILVER RATIO     | 75.47 |
| MCX        | MCX GOLD SILVER RATIO | 74.65 |

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Report is prepared for information purposes only.

## Kedia Stocks & Commodities Research Pvt Ltd.

Mumbai. INDIA. Mobile: 9320096333 / 9619551030 Email: [info@kediacommodity.com](mailto:info@kediacommodity.com) URL: [www.kediaadvisory.com](http://www.kediaadvisory.com)

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