



Daily Bullion Physical Market Report

Report as on Wednesday, September 18, 2019

	Important Resistance for MCX Gold Where Physical Player can look to fix his Sell Price	38211	Important Support for MCX Gold Where Physical Player can look to fix his Buying Price	37821
		38286		37746
	Important Resistance for Rupee Where Exporter can look to book his today's receivable	71.65	Important Support for Rupee Where Importer can look to book his today's payment	71.35
		71.80		71.20

Gold Spot 995			Gold Spot 999		
Exch.	Descr.	LTP*	Exch.	Descr.	LTP*
CMDTY	Gold 995 - Ahmedabad	39020.00	CMDTY	Gold 999 - Ahmedabad	39150
CMDTY	Gold 995 - Bangalore	39010.00	CMDTY	Gold 999 - Bangalore	39160
CMDTY	Gold 995 - Chennai	39100.00	CMDTY	Gold 999 - Chennai	39250
CMDTY	Gold 995 - Cochin	39105.00	CMDTY	Gold 999 - Cochin	39255
CMDTY	Gold 995 - Delhi	38890.00	CMDTY	Gold 999 - Delhi	39040
CMDTY	Gold 995 - Hyderabad	39020.00	CMDTY	Gold 999 - Hyderabad	39170
CMDTY	Gold 995 - Jaipur	38960.00	CMDTY	Gold 999 - Jaipur	39080
CMDTY	Gold 995 - Mumbai	38940.00	CMDTY	Gold 999 - Mumbai	39090

\* Rates including GST

Silver Spot 999	
Descr.	LTP*
Silver 999 - Ahmedabad	47625.00
Silver 999 - Bangalore	47570.00
Silver 999 - Chennai	47620.00
Silver 999 - Delhi	47480.00
Silver 999 - Hyderabad	47680.00
Silver 999 - Jaipur	47600.00
Silver 999 - Kolkata	48150.00
Silver 999 - Mumbai	47530.00

Gold Ratios
Gold Silver Ratio
80.52

Gold Ratios
Gold Crude Ratio
8.98

Bullion Futures on DGCX		
Exch.	Descr.	LTP
DGCX	GOLD 26SEP2019	1503.40
DGCX	GOLD QUANTO 27SEP2019	37855.00
DGCX	SILVER 26NOV2019	17.95

Gold and Silver Fix		
Descr.	LTP	
Gold London AM FIX	1499.3	
Gold London PM FIX	1497.2	
Silver London FIX	17.92	

\* Rates including GST

Date	Gold*	Silver*
17 Sep 2019 (Tuesday)	37969.00	46100.00
16 Sep 2019 (Monday)	37936.00	46065.00
13 Sep 2019 (Friday)	37727.00	46395.00

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

17 Sep 2019 (Tuesday)

Gold Market Update



Market View	
Open	38050.00
High	38179.00
Low	37861.00
Close	38016.00
Value Change	-164.00
% Change	-0.43
Dec-Oct	700.00
Feb-Dec	409.00
Volume	14942
Open Interest	10322
Cng in OI (%)	-2.31

BUY GOLD OCT 2019 @ 37900 SL 37750 TGT 38100-38200.MCX

Today's View & Outlook

Gold price attempts to surpass the EMA50, reinforcing the expectations of continuing the bullish trend in the upcoming period, supported by stochastic positivity, waiting to target 1524.00 followed by 1555.00 levels as next main stations, reminding you that it is important to hold above 1485.00 to continue the expected rise. The tight range still the dominant of Gold price's trading, which moves near 1500.00 level, therefore, there is no change on our bullish trend expectations that depends on the stability above 1485.00 level. The expected trading range for today is between 1485.00 support and 1525.00 resistance.

Gold on MCX settled down -0.43% at 38016 as investors adopted a wait-and-see approach ahead of the U.S. Federal Reserve's two-day monetary policy meeting, when the central bank is widely expected to cut interest rates. Further downside seen supported after a weekend attack on oil facilities in Saudi Arabia inflamed worries over stability in the Middle East. Attacks on Saudi Arabia's main oil refinery over the weekend have also entered the equation, prompting U.S. President Donald Trump to apply more pressure on the Fed to lower rates. Geopolitical developments and U.S.-China trade talks also remained on investors' radar. U.S. President Donald Trump said it looked like Iran was behind attacks on oil plants in Saudi Arabia but stressed that he would "like to avoid" a military conflict with Tehran. "That was a very large attack and it could be met with an attack many, many times larger very easily by our country, but we are going to find out who definitively did it first," Trump said. Deputy trade negotiators for the United States and China will meet in Washington beginning, a spokesman for the U.S. Trade Representative's office said. That meeting will be followed by a meeting of U.S. Trade Representative Robert Lighthizer and U.S. Treasury Secretary Steven Mnuchin with China's top negotiator, Vice Premier Liu He, in early October. The mood among German investors improved more than expected in September, a survey showed, but the ZEW institute warned that the outlook for Europe's largest economy remained negative amid trade disputes and Brexit uncertainty. Technically market is under long liquidation as market has witnessed drop in open interest by -2.31% to settled at 10322 while prices down -164 rupees, now Gold is getting support at 37859 and below same could see a test of 37701 levels, and resistance is now likely to be seen at 38177, a move above could see prices testing 38337.

Silver Market Update



Market View	
Open	47140.00
High	47468.00
Low	46710.00
Close	47361.00
Value Change	143.00
% Change	0.30
Mar-Dec	997.00
May-Mar	668.00
Volume	19163
Open Interest	9143
Cng in OI (%)	0.83

BUY SILVER DEC 2019 @ 47000 SL 46600 TGT 47450-47800.MCX

Today's View & Outlook

Silver price shows sideways and tight range trading and it remains below the bullish channel's support, therefore, the bearish trend scenario will remain valid for today, supported by the negative pressure that comes from the EMA50, pointing out that our next main target extend to reach 16.95. The expected trading range for today is between 17.60 support and 18.20 resistance.

Silver on MCX settled up 0.3% at 47361 as investors await key central bank meetings in the U.S. and Japan. While the Federal Reserve is expected to cut interest rates by a quarter point in response to slowing global economic growth and muted inflation, the Bank of Japan is likely to leave its monetary policy unchanged. China's industrial production grew at the weakest pace in 17-1/2 years last month and fixed-asset investment in January-August increased at a slightly lower rate than expected. Production rose 4.4% in August year-on-year, slower than the 4.8% growth in July, according to data published by the National Bureau of Statistics. U.S. manufacturing output increased more than expected in August, boosted by a surge in machinery and primary metals production, but the outlook for factories remains weak against the backdrop of trade tensions and slowing global economies. The Federal Reserve said manufacturing production rose 0.5% last month after an unrevised 0.4% drop in July. Large precious metals speculators slightly trimmed their bullish net positions in the Silver Futures markets, according to the latest Commitment of Traders (COT) data released by the Commodity Futures Trading Commission (CFTC). The non-commercial futures contracts of Silver futures, traded by large speculators and hedge funds, totaled a net position of 60,231 contracts in the data reported through Tuesday, September 10th. Technically market is under fresh buying as market has witnessed gain in open interest by 0.83% to settled at 9143 while prices up 143 rupees, now Silver is getting support at 46892 and below same could see a test of 46422 levels, and resistance is now likely to be seen at 47650, a move above could see prices testing 47938.

USDINR Update



Market View	
Open	71.7500
High	72.0800
Low	71.7500
Close	71.9200
Value Change	0.2275
% Change	0.32
Oct-Sep	0.29
Nov-Oct	0.21
Volume	1795160
Open Interest	2968608
Cng in OI (%)	1.28

SELL USDINR SEP 2019 @ 71.80 SL 71.95 TGT 71.62-71.45. NSE

Today's View & Outlook

The Indian rupee was weaker against the US dollar tracking emerging market currencies as the attack on Saudi Arabia's oil facilities lifted demand for safe haven assets such as the greenback. While now traders will await the outcome of the US Federal Reserve's policy meeting which will start on Wednesday. The central bank is poised to cut interest rates for the second time this year as policymakers try to get ahead of economic risks emanating from a global slowdown and US President Donald Trump's trade war. USDINR settled up 0.32% at 71.92, technically market is getting support at 71.72 and below same could see a test of 71.57 level, and resistance is now likely to be seen at 72.05, a move above could see prices testing 72.23.

Rupee ended with losses tracking strength in dollar as risk appetite declined on escalation of geo-political tension in Middle East. Market sentiments turned sour after a drone attack hit the heart of Saudi Arabia's oil industry, driving investors to take shelter in safe haven assets. Investors demand for safe-haven continued as geopolitical tension in Middle-East simmered following attack on state-owned producer Saudi Aramco's oil facilities. India's industrial output rose 4.3% in July from a year earlier, government data showed. India's trade deficit in August narrowed to \$13.45 billion from \$17.92 billion a year ago, the trade ministry said in a statement, helped by lower oil import bill. Oil imports fell 8.90% to \$10.88 billion in August from \$11.94 billion in a year-ago period. Merchandise exports fell 6.05% to \$26.13 billion in August compared with a year earlier, while imports were down 13.45% at \$39.45 billion, the data showed. India's current account and fiscal deficit could take a hit if oil prices continue to rise after an attack on Saudi Arabian oil facilities over the weekend, the central bank chief said. "We should allow a few more days to see how the situation plays out before taking a final view...depending on how long it persists it will have some impact on the current account deficit and further perhaps on the fiscal deficit if it lasts longer," Governor Shaktikanta Das told. Technically now USDINR is getting support at 71.72 and below same could see a test of 71.57 level, and resistance is now likely to be seen at 72.05, a move above could see prices testing 72.23.

## Bullion News

# Gold prices steadied as investors continued to weigh the likely impact of higher crude oil prices on the global economy and also looked ahead to the Federal Reserve's monetary policy. The dollar index weakened to 98.19 and was last seen at 98.23, down nearly 0.4% from previous close. The Federal Reserve is widely expected to cut interest rates by 25 basis points to boost economic growth. The Bank of Japan, the Swiss National Bank and Bank of England are also scheduled to announce their monetary policies this week. Investors were also tracking the developments on U.S.-China trade front and geopolitical issues. U.S. President Donald Trump has indicated the U.S. is prepared to respond militarily but has stopped short of definitively blaming Iran for the attacks.

# August gems & jewellery exports dive on protests in HK, tariff war - India's gems and jewellery exports in August have dived as a combination of negative influences — protests in Hong Kong, rising demand for synthetic diamonds in the US and tariff wars — weighed on the industry. Exports fell 12 per cent, with cut and polished diamond shipments the worst hit, logging a 23 per cent decline. In the five months of FY20, exports declined 6 per cent to Rs 1.07 lakh crore. Cut and polished diamond exports in the same period have come down by 17 per cent to Rs 58,178 crore. By contrast, gold jewellery exports have shown 9 per cent growth in August as prices of the yellow metal went up and the rupee depreciated against the dollar. In the first five months of FY20, gold jewellery exports climbed about 2 per cent. A senior trade executive said that imports of rough diamonds have fallen 38 per cent in the current financial year. Unrests in Hong Kong have affected exports of diamonds from India. Hong Kong is a major diamond trading centre. The northeast Asian financial hub buys diamonds from India and manufactures studded jewellery sold in the US and China. "But the US-China trade war has affected exports from Hong Kong. While exports have taken a hit, the industry believes that Indian diamond trade will benefit as the US has imposed a 10 per cent duty on Chinese gems and jewellery items from September 1.

# China Gold Is Hunting for Deals Worth as Much as \$2 Billion - China Gold International Resources Corp., the overseas arm of state-owned China National Gold Group, is on the hunt for acquisitions to replenish its pipeline as deal-making in the sector heats up thanks to a jump in the metal's price. The miner, listed both in Canada and Hong Kong, is targeting companies with assets in operational stages that have ramp-up plans. The company is comfortable making purchases with a price tag at roughly \$1 billion to \$2 billion, Xie said. The company is open to studying potential acquisitions of single-asset companies with mines near production, he said. It is also interested in possible asset sales that may come from Barrick Gold Corp. and Newmont Goldcorp Corp., which both have plans to divest after recent mega-mergers. Gold is near a six-year high, and industry shares are up about 60% in the past 12 months. Meanwhile, the amount of gold reserves still buried in mines is down by more than half from a 2011 peak. It's a potent mix that may push miners toward consolidation over expansion for growth. Acquisitions of gold producers have already jumped to \$18.2 billion this year, the highest

# India among top 10 nations in gold reserves - India has pipped the Netherlands to move into the list of top ten countries in terms of total gold reserves. According to the World Gold Council, India has gold reserves totalling 618.2 tonnes, which is marginally higher than the Netherlands' reserves of 612.5 tonnes. Interestingly, in terms of individual countries, India actually ranks ninth since the International Monetary Fund (IMF) occupies the third position after the U.S. and Germany. According to the latest release by the World Gold Council, U.S. leads the country list with total gold reserves of 8,133.5 tonnes followed by Germany with 3,366.8 tonnes. While the IMF is ranked third with a holding of 2,451.8 tonnes, it is followed by countries such as Italy (2,451.8 tonnes), France (2,436.1 tonnes), Russia (2,219.2 tonnes), China (1,936.5 tonnes), Switzerland (1,040 tonnes) and Japan (765.2 tonnes) before India at the 10th spot. India's entry into the list of top ten countries comes at a time when the quantum of monthly purchases is the lowest in over three years. Incidentally, the holding data for most countries is as of July 2019 as the compilation is typically reported with a lag of two months. Previously,

# ECB's Draghi Deploys All Tools In Grand Finale - Mario Draghi, the outgoing European Central Bank President, announced a host of stimulus measures in his final policy session to boost the euro area economy as the bank slashed the growth and inflation forecasts. Policymakers reiterated the need for a highly accommodative stance of monetary policy for a prolonged period of time, Draghi said in his introductory statement. The Governing Council was unanimous in its view that fiscal policy should become the main instrument to boost the euro area economy, he said. There was clear majority in the Governing Council favoring the latest policy decisions, and the consensus was so broad that there was no need to take a vote, Draghi told reporters. The decisions were taken in response to the continued shortfall of inflation with respect to the ECB's aim of 'below, but close to 2 percent'. Policymakers were concerned, particularly, about the re-anchoring of inflation expectations at a low level, Draghi said. "Incoming information since the last Governing Council meeting indicates a more protracted weakness of the euro area economy, the persistence of prominent downside risks and muted inflationary pressures," the ECB Chief said.

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