



**Daily Bullion Physical Market Report**

Report as on Wednesday, August 21, 2019

	<b>Important Resistance for MCX Gold Where Physical Player can look to fix his Sell Price</b>	<b>38248</b>  <b>38342</b>	<b>Important Support for MCX Gold Where Physical Player can look to fix his Buying Price</b>	<b>37760</b>  <b>37666</b>
	<b>Important Resistance for Rupee Where Exporter can look to book his today's receivable</b>	<b>71.63</b>  <b>71.80</b>	<b>Important Support for Rupee Where Importer can look to book his today's payment</b>	<b>71.27</b>  <b>71.10</b>

Gold Spot 995			Gold Spot 999		
Exch.	Descr.	LTP*	Exch.	Descr.	LTP*
CMDTY	Gold 995 - Ahmedabad	38880.00	CMDTY	Gold 999 - Ahmedabad	39010
CMDTY	Gold 995 - Bangalore	38810.00	CMDTY	Gold 999 - Bangalore	38960
CMDTY	Gold 995 - Chennai	38900.00	CMDTY	Gold 999 - Chennai	39050
CMDTY	Gold 995 - Cochin	38905.00	CMDTY	Gold 999 - Cochin	39055
CMDTY	Gold 995 - Delhi	38750.00	CMDTY	Gold 999 - Delhi	38900
CMDTY	Gold 995 - Hyderabad	38795.00	CMDTY	Gold 999 - Hyderabad	38945
CMDTY	Gold 995 - Jaipur	38795.00	CMDTY	Gold 999 - Jaipur	38915
CMDTY	Gold 995 - Mumbai	38780.00	CMDTY	Gold 999 - Mumbai	38930

\* Rates including GST

Silver Spot 999	
Descr.	LTP*
Silver 999 - Ahmedabad	44950.00
Silver 999 - Bangalore	45040.00
Silver 999 - Chennai	45000.00
Silver 999 - Delhi	44880.00
Silver 999 - Hyderabad	45120.00
Silver 999 - Jaipur	44930.00
Silver 999 - Kolkata	44965.00
Silver 999 - Mumbai	44940.00

Gold Ratios
Gold Silver Ratio
86.83

Gold Crude Ratio
9.37

Bullion Futures on DGCX		
Exch.	Descr.	LTP
DGCX	GOLD 26SEP2019	1507.40
DGCX	GOLD QUANTO 27SEP2019	37906.00
DGCX	SILVER 28AUG2019	17.05

Gold and Silver Fix	
Descr.	LTP
Gold London AM FIX	1334.3
Gold London PM FIX	1340.65
Silver London FIX	17.09

\* Rates including GST

Date	Gold*	Silver*
<b>20 Aug 2019 (Tuesday)</b>	37833.00	43695.00
<b>19 Aug 2019 (Monday)</b>	37610.00	43345.00
<b>16 Aug 2019 (Friday)</b>	37640.00	43735.00

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

20 Aug 2019 (Tuesday)

Gold Market Update



Market View	
Open	37750.00
High	38077.00
Low	37678.00
Close	38004.00
Value Change	181.00
% Change	0.48
Dec-Oct	638.00
Feb-Dec	638.00
Volume	15154
Open Interest	17150
Cng in OI (%)	-1.29

BUY GOLD OCT 2019 @ 37900 SL 37750 TGT 38180-38360.MCX

Today's View & Outlook

Gold price settles above 1503.24 level now, which hints the price head to regain the main bullish trend and stop the negative scenario mentioned today, noting that closing the daily candlestick above the mentioned level will push the price to achieve gains that start at 1535.00 and extend to 1560.00.

Gold on MCX settled up 0.48% at 38004 as investors switched focus to the minutes of the U.S. Federal Reserve's latest meeting, which will be closely watched for clues on further interest rate cuts. Hopes for additional stimulus are rising after reports that Germany is prepared to increase fiscal spending and People's Bank of China took steps to lower corporate borrowing costs. Investors are now focused on minutes from the U.S. Federal Reserve's July meeting due on Wednesday and the Fed's Jackson Hole seminar later in the week for clues on monetary policy thinking. Also on their watch list will be a Group of Seven summit this weekend. However, Boston Federal Reserve Bank President Eric Rosengren signalled no willingness to support further interest rate cuts. Eric Rosengren argued that lowering the policy rate early could worsen the next downturn. He argued that the goal of the monetary policy was not to get the yield curve right, but to get the inflation and unemployment right and added that just because other countries were weak it did not mean that the US should be easing its policy. According to Eurostat's final reading of the eurozone consumer price index (CPI) report, the consumer prices came in at 1% on a yearly basis, missing the flash estimate of 1.1%. While the core figures rose 0.9%, compared with the previous rise of 0.9%. Technically market is under short covering as market has witnessed drop in open interest by -1.29% to settled at 17150 while prices up 181 rupees, now Gold is getting support at 37763 and below same could see a test of 37521 levels, and resistance is now likely to be seen at 38162, a move above could see prices testing 38319.

Silver Market Update



Market View	
Open	43379.00
High	43991.00
Low	43186.00
Close	43941.00
Value Change	511.00
% Change	1.18
Dec-Sep	1341.00
Mar-Dec	1027.00
Volume	19517
Open Interest	12706
Cng in OI (%)	0.00

BUY SILVER SEP 2019 @ 43800 SL 43550 TGT 44150-44400.MCX

Today's View & Outlook

Silver price resumes its positive trading to surpass the EMA50, reinforcing the expectations for the continuation of the main bullish trend, supported by stochastic positivity, waiting for testing 17.30 level initially, reminding you that breaching this level will extend the bullish wave to reach 18.45 as a next main station, while the price needs to settle above 16.65 and 16.50 to continue the expected rise. The expected trading range for today is between 16.65 support and 17.20 resistance.

Silver on MCX settled up 1.18% at 43941 as prices got further support from central banks and falling yields. U.S. Commerce Secretary Wilbur Ross confirmed that Washington will extend for another 90 days a license that allows China's Huawei Technologies Co. to temporarily continue doing business with U.S. companies. The news eased trade tension between China and the U.S., sending stocks higher today while the safe-haven gold retreated. Traders went for riskier assets after China announced interest rate reforms and on news that Germany is likely to run a fiscal deficit to counter a possible recession. News that the Trump administration is once again delaying restrictions on Chinese tech giant Huawei contributed as well to the increased risk appetite in the market. Trump told reporters that he does not foresee an economic downturn even after last week's yield curve inversion, which is widely seen as an early recession indicator. "I don't think we're having a recession," Trump said. "We're doing tremendously well. Our consumers are rich. I gave a tremendous tax cut and they're loaded up with money." The People's Bank of China said it would use market-based reform methods to help lower real lending rates and prop up a slowing economy. Technically market is under short covering as market has witnessed remain unchanged in open interest by 0% to settled at 12706 while prices up 511 rupees, now Silver is getting support at 43421 and below same could see a test of 42901 levels, and resistance is now likely to be seen at 44226, a move above could see prices testing 44511.

USDINR Update



Market View		
Open		71.6150
High		71.8625
Low		71.5700
Close		71.7500
Value Change		0.2575
% Change		0.36
Sep-Aug		0.24
Oct-Sep		0.23
Volume		1929301
Open Interest		2396542
Cng in OI (%)		-5.40

SELL USDINR AUG 2019 @ 71.60 SL 71.75 TGT 71.42-71.35. NSE

Today's View & Outlook

Rupee dropped to six month highs on oil importers' demand amid likely FII outflows related to Shell-Mahanagar stake sale and a strong greenback. The dollar hovered near a three-week high as expectations policymakers around the world would unleash fresh stimulus drove an improvement in appetite for riskier assets and lifted U.S. government bond yields. Technically market is under short covering as market has witnessed drop in open interest by -5.4% to settled at 2396542 while prices up 0.2575 rupees, now USDINR is getting support at 71.5925 and below same could see a test of 71.435 levels, and resistance is now likely to be seen at 71.885, a move above could see prices testing 72.02.

Rupee dropped to six month highs on oil importers' demand amid likely FII outflows related to Shell-Mahanagar stake sale and a strong greenback. The greenback gained tracking rising US Treasury yields on expectations global economies would unleash fresh stimulus. A report showed that Germany's government was prepared to set aside its balanced budget rule in order to take on new debt and launch stimulus steps to counter a possible recession. The dollar hovered near a three-week high as expectations policymakers around the world would unleash fresh stimulus drove an improvement in appetite for riskier assets and lifted U.S. government bond yields. Yields on benchmark U.S. Treasuries pulled away from three-year lows, helped in part by the prospect of Germany ditching its balanced budget rule to boost spending and on more economic support measures by China. Market focus will shift to the annual symposium of global central bankers starting on Friday at Jackson Hole, Wyoming. Particular attention will center on Fed Chairman Jerome Powell's comments on monetary policy at a time when investors widely expect the Fed to cut rates again at its next meeting in September. India's factory activity accelerated in July as domestic demand and output strengthened, encouraging firms to hire at the fastest rate in five months, a private business survey showed. The Nikkei Manufacturing Purchasing Managers' Index, compiled by IHS Markit, rose to 52.5 in July from June's 52.1. Technically now USDINR is getting support at 71.5375 and below same could see a test of 71.4075 level, and resistance is now likely to be seen at 71.83, a move above could see prices testing 71.9925.

## Bullion News

# Gold prices edged higher on Tuesday, rebounding from recent losses, as equities and bond yields fell after traders turned cautious ahead of the release of the minutes of the Federal Reserve's July meeting. The dollar's decline supported the bullion's uptick. The dollar index eased to a low of 98.12 and was last seen at 98.15, down 0.2% from previous close. The minutes of the U.S. Federal Reserve's last meeting is due out on Wednesday. Traders are also looking ahead to Fed Chair Jerome Powell's speech at the Jackson Hole symposium on Friday for clues to what the U.S. central bank may do next. The Group of Seven (G7) leaders' summit will be held this weekend in France and it remains to be seen whether there will be a joint communique amid wide gaps between member nations on trade and climate issues.

# Bleak outlook for jewellers as record prices, fading demand hit gold sales - Jewelers in India, the top consumer after China, are facing a bleak outlook as record high prices and fading demand threaten to drag annual gold sales to the lowest in three years. With demand growing 9% during the January-June period, jewelers were expecting consumption to increase after a subdued couple of years. Those hopes are evaporating after a combination of high taxes, record prices, slowing economic growth and floods in the South Asian country are poised to erode demand in the peak festival season that begins later this month. "Everything is hitting us at the same time," N Anantha Padmanaban, chairman of the All India Gem & Jewellery Domestic Council, said by phone. Full-year demand is expected to be at par with 2016, when consumption slumped to a seven-year low of 666 tonnes, as buyers restrict themselves to wedding-related purchases, he said. India's consumption of gold has been affected by the government's efforts to curb its trade deficit and measures to discourage investors who used the metal to evade taxes. Prime Minister Narendra Modi's administration increased the import tax on the precious metal in July, which pushed domestic prices to an all-time high of Rs 38,666 (\$541) per 10 grams last week.

# \$2.6 Billion Flowed into Gold ETFs in July, Says World Gold Council - Gold ETFs have been a shining through a gloomy market as investors poured billions of dollars into this asset category in face of rising uncertainty. According to the World Gold Council, investors funneled \$2.6 billion into gold bullion-backed ETFs in July, raising their collective holdings to 2,600 tons, or the highest level since March 2013. Investors have shifted over to safe-haven plays like gold in face of renewed anxiety over trade tensions between the U.S. and China, the two biggest economies in the world, and growing fears of a global slowdown. The rally in precious metals was also fueled by a shift in the Federal Reserve's monetary policy after it cut interest rates for the first time in a decade. The expectations for lower borrowing costs bolstered the gold outlook as bullion typically underperforms yield-generating assets in a period of rising rates.

# India's gold demand to soften in Q3 on price rise, rural distress: WGC - India's gold demand is expected to soften in the September quarter as record high local prices dampen buying in the world's second biggest consumer of the precious metal, the World Gold Council (WGC) said. The fall in consumption could weigh on global prices that have risen nearly 10% so far in the 2019, but could help in bringing down the south Asian country's trade deficit, supporting the rupee. Rural distress, higher prices and a hike in India's import tax could dampen demand during the September quarter, said Somasundaram PR, the managing director of WGC's Indian operations. Two-thirds of India's gold demand comes from rural areas, where jewellery is a traditional store of wealth. But this year's monsoon has so far delivered less-than-average rainfall, delaying sowing in many parts of the country and raising concerns the success of summer-sown crops.

# Higher import duty could cut Indian gold demand by approximately 2.4% this year: WGC - The increase in gold import duty to 12.5 per cent from 10 per cent by India from July 5 could cause consumer demand for the metal to reduce by approximately 2.4 per cent in 2019, miner's lobby World Gold Council forecasts in its Gold Mid-Year Outlook 2019. WGC added that if the higher duty becomes permanent, long term consumer demand would reduce by "slightly," less than 1 per cent a year. Consumer demand for gold in China was 994.3 tonnes against India's demand of 760.4 tonnes in 2018. In the quarter through March 2019 demand in China stood at 255.3 tonnes against 159 tonnes for India. However, WGC expects that broad structural economic reforms being implemented in both India and China "will likely support long-term gold demand. In addition, we expect central bank gold demand — led by emerging markets — to remain positive for the foreseeable future," added the council. The gold body cited that financial market uncertainty and accommodative monetary policy by central banks like the US Fed would support gold investment demand over the next six to 12 months.

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