



Daily Bullion Physical Market Report

Report as on Friday, August 23, 2019

	Important Resistance for MCX Gold Where Physical Player can look to fix his Sell Price	38351	Important Support for MCX Gold Where Physical Player can look to fix his Buying Price	37979
		38423		37907
	Important Resistance for Rupee Where Exporter can look to book his today's receivable	72.17	Important Support for Rupee Where Importer can look to book his today's payment	71.67
		72.42		71.42

Gold Spot 995			Gold Spot 999		
Exch.	Descr.	LTP*	Exch.	Descr.	LTP*
CMDTY	Gold 995 - Ahmedabad	38740.00	CMDTY	Gold 999 - Ahmedabad	38870
CMDTY	Gold 995 - Bangalore	38730.00	CMDTY	Gold 999 - Bangalore	38880
CMDTY	Gold 995 - Chennai	38790.00	CMDTY	Gold 999 - Chennai	38940
CMDTY	Gold 995 - Cochin	38795.00	CMDTY	Gold 999 - Cochin	38945
CMDTY	Gold 995 - Delhi	38630.00	CMDTY	Gold 999 - Delhi	38780
CMDTY	Gold 995 - Hyderabad	38770.00	CMDTY	Gold 999 - Hyderabad	38920
CMDTY	Gold 995 - Jaipur	38680.00	CMDTY	Gold 999 - Jaipur	38800
CMDTY	Gold 995 - Mumbai	38670.00	CMDTY	Gold 999 - Mumbai	38820

* Rates including GST

Silver Spot 999	
Descr.	LTP*
Silver 999 - Ahmedabad	44980.00
Silver 999 - Bangalore	45100.00
Silver 999 - Chennai	45060.00
Silver 999 - Delhi	44910.00
Silver 999 - Hyderabad	45160.00
Silver 999 - Jaipur	44960.00
Silver 999 - Kolkata	44990.00
Silver 999 - Mumbai	44930.00

* Rates including GST

Gold Ratios
Gold Silver Ratio
86.97

Gold Crude Ratio
9.52

Bullion Futures on DGCX		
Exch.	Descr.	LTP
DGCX	GOLD 26SEP2019	1498.70
DGCX	GOLD QUANTO 27SEP2019	37847.00
DGCX	SILVER 28AUG2019	17.02

Gold and Silver Fix	
Descr.	LTP
Gold London AM FIX	1334.3
Gold London PM FIX	1340.65
Silver London FIX	16.99

Date	Gold*	Silver*
21 Aug 2019 (Wednesday)	37700.00	43815.00
20 Aug 2019 (Tuesday)	37833.00	43695.00
19 Aug 2019 (Monday)	37610.00	43345.00

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

21 Aug 2019 (Wednesday)

Gold Market Update



Market View	
Open	37950.00
High	38220.00
Low	37916.00
Close	38165.00
Value Change	172.00
% Change	0.45
Dec-Oct	572.00
Feb-Dec	572.00
Volume	14091
Open Interest	17394
Cng in OI (%)	1.30

BUY GOLD OCT 2019 @ 38050 SL 37900 TGT 38220-38400.MCX

Today's View & Outlook

Gold price shows negative trading to move below 1503.24, providing signals for a potential decline in the upcoming sessions, and it might test 1483.60 level before resuming the bullish trend again. In general, the overall positive scenario active conditioned by holding above 1483.60, and the price needs to trade above 1503.24 again, to confirm resuming the bullish trend that its initial target located at 1535.00. The expected trading range for today is between 1490.00 support and 1520.00 resistance.

Gold prices steadied with the focus shifting to Friday's speech by U.S. Federal Reserve Chairman Jerome Powell at the Jackson Hole meeting for clarity on the direction of monetary policy. Citing a lack of clarity about when the risks to the U.S. economy will be resolved, the minutes of the Federal Reserve's latest monetary policy meeting showed the central bank intends to remain flexible regarding future changes to interest rates. The minutes of the Federal Open Market Committee meeting held in late July showed members plan to pay close attention to the implications of incoming data for the economic outlook. During the meeting last month, the members of the Fed voted 8 to 2 to lower the target range for the federal funds rate by 25 basis points to 2 to 2-1/4 percent. Traders are also looking to the Group of Seven summit this weekend for clues on what additional steps policymakers may take to boost economic growth. China has partially lifted restrictions on imports of gold, loosening curbs that had stopped an estimated 300-500 tonnes of the metal worth \$15-25 billion at current prices from entering the country since May. China's central bank had for several months curtailed or not granted import quotas to commercial banks responsible for most of the gold that enters the country. Technically market is under fresh buying as market has witnessed gain in open interest by 1.3% to settled at 17394 while prices up 172 rupees, now Gold is getting support at 37980 and below same could see a test of 37796 levels, and resistance is now likely to be seen at 38284, a move above could see prices testing 38404.

Silver Market Update



Market View	
Open	43666.00
High	44050.00
Low	43608.00
Close	43896.00
Value Change	80.00
% Change	0.18
Dec-Sep	1334.00
Mar-Dec	823.00
Volume	17050
Open Interest	12441
Cng in OI (%)	-0.49

BUY SILVER SEP 2019 @ 43600 SL 43200 TGT 44100-44450.MCX

Today's View & Outlook

Silver price faces a new negative pressure that might push the price to test the bullish channel's support that appears in the image, while the EMA50 attempts to protect the price from suffering more of the losses, as long as the price is above 16.75 and 16.50 levels, so our bullish trend expectations will remain valid for today, reminding you that our initial target is represented by testing 17.30 level. The expected trading range for today is between 16.80 support and 17.30 resistance.

Silver prices edged higher as traders shifted their attention to the beginning of the Federal Reserve's annual Jackson Hole Economic Policy Symposium. The Fed minutes of the July meeting showed that the policy-making body discussed a 50-basis point cut, but most viewed that as mid-cycle adjustment. Investors are waiting for a statement from Fed Chairman Jerome Powell in Jackson Hole on Friday as well comments from global monetary authorities who will meet at a Group of Seven event this weekend about possible measures to lift slumping economies around the world. Powell's highly-anticipated speech comes after last week's inversion of the U.S. yield curve - widely regarded as a recession signal. The curve inversion has boosted expectations of another interest rate cut at its September policy meeting. The International Monetary Fund warned against governments trying to weaken their currencies through monetary easing or market intervention. Traders were also reacting to President Donald Trump's comments that pressurize the central bank to reduce interest rates. Trump said the Fed's policies were hampering the country's growth and reducing its ability to compete economically. According to a report released by the National Association of Realtors, existing home sales in the U.S. showed a notable rebound in the month of July, jumping 2.5% to an annual rate of 5.42 million, after slumping by 1.3% to a revised rate of 5.29 million in June. Technically market is under short covering as market has witnessed drop in open interest by -0.49% to settled at 12441 while prices up 80 rupees, now Silver is getting support at 43652 and below same could see a test of 43409 levels, and resistance is now likely to be seen at 44094, a move above could see prices testing 44293.

USDINR Update



Market View		
Open		71.5750
High		72.0200
Low		71.5575
Close		71.8800
Value Change		0.2950
% Change		0.41
Sep-Aug		0.23
Oct-Sep		0.26
Volume		2722709
Open Interest		2278526
Cng in OI (%)		4.31

BUY USDINR AUG 2019 @ 71.90 SL 71.76 TGT 72.05-72.20. NSE

Today's View & Outlook

Rupee dropped tracking a sharp fall in Chinese Yuan amid oil bids and likely overseas outflows from local stocks. While intervention by the Reserve Bank of India around Rs 71.92/41 level capped further gains. Fixing India's weak growth has become the highest priority while a benign inflation outlook has given the central bank room to cut rates although transmission remains inadequate, monetary policy committee meeting minutes showed. Technically market is under fresh buying as market has witnessed gain in open interest by 6.29% to settled at 2321775, now USDINR is getting support at 71.58 and below same could see a test of 71.3375 level, and resistance is now likely to be seen at 72.0425, a move above could see prices testing 72.2625.

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Bullion News

Gold futures ended notably lower on Thursday, weighed down by rising bond yields and uncertainty about U.S. interest rate cuts. Gold prices stayed below the unchanged line as traders awaited cues from a key central bankers' gathering in the United States on Friday. Federal Reserve Chairman Jerome Powell will speak for the first time since bond markets hit the recession alarm bells. The dollar index dropped to a low of 98.08 around mid-morning. Then, after swiftly edging up to 98.25, eased to 98.16. The index had settled at 98.30 on Wednesday. The minutes of the Federal Reserve's monetary policy meeting in late July, which were released on Wednesday, failed to provide any clarity about further U.S. interest rate cuts. Traders also looked ahead to the Group of Seven summit this weekend for clues on what additional steps policymakers may take to boost growth.

Indian jewellers face a bleak outlook as gold prices surge and demand falls - Jewellers 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 per cent during the January-June period, jewellers 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 India 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 tons, 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 government increased the import tax on the precious metal in July, which pushed domestic prices to an all-time high of Rs 38,666 per 10 grams last week. Gold futures in Mumbai have gained about 17 per cent since June on local factors and in tandem with overseas spot gold, which rallied to a six-year high as the US-China trade

Soaring gold prices, bad monsoon weigh on gold demand ahead of festive season - Soaring gold prices along with bad monsoon don't augur well for the yellow metal demand ahead of the festive season when the jewellers start storing gold to further sell in October and November. With the recent imposition of hiked import duty on gold by the Finance Minister Nirmala Sitharaman in her maiden budget to floods in some areas of the country would hamper the rural demand during the festive season, the analysts told. People in rural areas. Global gold prices this month hit a six-year high above a level of \$1,500 ounce. The gold imports fell more than 40 per cent to \$1.7 billion. Jewellers are saying that every year they store gold during this time to sell in October and November and December, but this time prices are very high so they are waiting for the prices to come down to purchase for the festive season. Moreover, even after giving discounts, there is hardly any consumer for gold.

In June, China only imported around 6 tonnes of gold from Switzerland – down 53% on its imports in May, which were already trending downwards at only 13 tonnes. And now the latest figures from the Swiss Customs Administration for July put direct exports to mainland China that month at 9.8 tonnes. By contrast mainland China imported on average some 38 tonnes a month of gold from Switzerland in 2018. Figures published recently by China's Business Times put total Chinese gold imports from all sources at around 1,500 tonnes in 2018 which, together with China's own gold production at a little over 400 tonnes and an allowance for scrap, puts China's 2018 gold consumption at around +/-2,000 tonnes. Interestingly, we have also noticed a downturn in SGE gold withdrawal figures so far this year, which would also seem to confirm a degree of import restrictions coming into play. We had supposed we would see a pick-up in these in the second half of the year, but in the light of the reported import restrictions we suspect we will see further falls in this year's month-by-month figures. Business Times, which tends to be something of a mouthpiece for the Chinese government, puts the policy on

Gold To Perform As Returns Of Other Assets Unpredictable, Says World Gold Council - Even as interest rates turn negative and financial markets enter phases of uncertainty across the world, gold has emerged a safe haven among major asset classes over the past 10 months. Demand for gold is expected to increase further globally, said Joseph Cavatoni, managing director of World Gold Council U.S., adding prices of the yellow metal surged nearly 25 percent in the same period. "When you have negative real rates in 70 percent of the developed markets, you're going to look for assets that can actually do what you need in your portfolio," he told. Global gold demand rose 8 percent over last year to 1,123 tonne in the second quarter of 2019, he said. The rest of the year and 2020 are going to be ideal to increase demand levels worldwide, he said, with geopolitical risks and inability of investors to be confident about other asset return predictions driving its consumption. The World Gold Council, he said, is monitoring global developments. "While we're definitely paying attention to what the U.S. Federal Reserve would do with rates... nearly 50 percent of the demand for gold comes from India and China," he said. "So, you have to take into consideration this is a global asset."

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Kedia Stocks & Commodities Research Pvt Ltd.

Mumbai, INDIA. Mobile: 9320096333 / 9619551030 Email: info@kediacommodity.com URL: www.kediaadvisory.com

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