



## IBJA Market Update

### Daily Market Update

Report as on Thursday, June 29, 2017

# **Polled Premium/Discount for 995 gold in Ahmedabad 2.00 USD/troy oz on June 28, 2017.**

# Gold rallied in morning session but managed to hold gains as the dollar weakened after a delayed US healthcare bill increased doubts about President Donald Trump's ability to pass economic stimulus measures. While dollar sank to its lowest since November and the euro hit a one-year high when ECB President Mario Draghi hinted that stimulus could be trimmed this year.

# Prices of rough diamonds have corrected a bit as the onset of the summer holidays slows demand for polished stones in the US, the major global market for diamond jewellery. While rough stone prices have lost a bit of sheen, both diamond and gold jewellery has shown good demand in India, as buyers are purchasing in anticipation that prices may go up after GST is rolled out on July 1.

# Sentiments remain support for gold as slump in the dollar to eight-month lows against its rivals boosted demand for gold, as traders sought safe haven protection from U.S. political uncertainty, after the Senate delayed a vote on a healthcare bill to repeal and replace Obamacare. President Donald Trump has reiterated several times that healthcare reform would need to be passed before his administration moves ahead with tax reform, which is widely viewed as a pro-economic growth measure.

# RBI may cut rates by 25 bps in August - With inflation remaining benign and expectation of good monsoon, the Reserve of India may look to cut rates by 25 basis points as early as August. On June 7, the central bank kept its key interest rate unchanged at 6.25 percent and lowered projections for inflation. Consumer inflation cooled to record low of 2.18 percent in May, dipping from 2.99 per cent in April, led by a fall in food prices. This has boosted expectations the RBI could cut rate interest rate at its next policy meet in August.

# Last week Hedge funds and money managers slashed their net long position in COMEX gold for the second straight week in the week to June 20, and cut it slightly in silver, US CFTC data showed. The speculator group cut their net long futures and options position by 49,679 contracts to 105,357 contracts in gold, the lowest level in nearly a month. The cut came as gold prices fell nearly 2 percent on a firm dollar and hawkish comments from a top Federal Reserve official.

Date	Gold	Silver
28 Jun 2017 (Wednesday)	28875.00	39350.00
27 Jun 2017 (Tuesday)	28875.00	39015.00
23 Jun 2017 (Friday)	28940.00	38960.00

\* The above rate are IBJA PM rates

28 Jun 2017 (Wednesday)

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**Outlook: Gold price didn't show any strong move yesterday, prices to remain stable in the range 28475-28700 level, therefore, the recovery scenario will remain valid for the upcoming period, supported by dollar weakness . Prices holding above 28475 can see bounce till 28700 level today.**

Market View		Daily Levels	
Open	28610.00	<b>Resistance</b>	
High	28725.00	28909.00	
Low	28508.00	28817.00	
Close	28567.00	28692.00	
Value Change	14.00	28475.00	
% Change	0.05	28383.00	
Margin	5.00	28258.00	
Margin (Rs.)	142835	<b>Support</b>	
Volume	9939.00	<b>Spread</b>	
Open Interest	5721.00	<b>OCT - AUG</b>	
Cng in OI (%)	4.93	<b>DEC - OCT</b>	
Prev Value(Mln)	28465.03	172.00	
52 Week High	32011.00	169.00	
52 Week Low	28043.00		

Gold on MCX settled up at 2856 gained marginally but staying away from recent 6-week lows continuing to bounce back amid uncertainty about the global economy. Support also seen as dollar dropped below 96 level mark first time since November 2016 after a delayed U.S. healthcare bill increased doubts about President Donald Trump's ability to pass economic stimulus measures. The dollar sank to its lowest since November as Japan's yen strengthened and the euro hit a one-year high when ECB President Mario Draghi hinted that stimulus could be trimmed this year. Gold prices have gained every month this year save June, due partly to geopolitical tensions which most recently included Syrian hostilities, a bailout of Italian banks, the policies of US President Donald Trump and Britain's negotiations to quit the EU. Overall sentiments remain firm as this week US Senate Republican leaders postponed a vote on a healthcare overhaul after resistance from members of their own party, and President Donald Trump summoned Republican senators to the White House to urge them to break the impasse. Also US Fed Chair Janet Yellen said that she did not believe there would be another financial crisis for at least as long as she lives, thanks largely to reforms of the banking system since the 2007-09 crash. While the IMF on Tuesday cut its growth forecasts for the U.S. economy to 2.1 percent for both 2017 and 2018, dropping its assumption that President Trump's tax cut and fiscal spending plans would boost growth. Technically market is getting support at 28475 and below same could see a test of 28383 level, And resistance is now likely to be seen at 28692, a move above could see prices testing 28817.

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## Gold Spot 995

Exch.	Descr.	Last
CMDTY	Gold 995 - Ahemdabad	29465.00
CMDTY	Gold 995 - Bangalore	29500.00
CMDTY	Gold 995 - Chennai	29475.00
CMDTY	Gold 995 - Cochin	29490.00
CMDTY	Gold 995 - Delhi	29460.00
CMDTY	Gold 995 - Hyderabad	29050.00
CMDTY	Gold 995 - Jaipur	29460.00
CMDTY	Gold 995 - Kolkata	29100.00
CMDTY	Gold 995 - Mumbai	28650.00

## Silver Spot 999

Exch.	Descr.	Last
CMDTY	Silver 999 - Ahemdabad	38900.00
CMDTY	Silver 999 - Bangalore	39145.00
CMDTY	Silver 999 - Chennai	39150.00
CMDTY	Silver 999 - Delhi	39150.00
CMDTY	Silver 999 - Hyderabad	39145.00
CMDTY	Silver 999 - Jaipur	39425.00
CMDTY	Silver 999 - Kolkata	39500.00
CMDTY	Silver 999 - Mumbai	39400.00

## Bullion Futures on DGCX

Exch.	Descr.	Last
DGCX	GOLD 27JUL2017	1251.90
DGCX	GOLD 27SEP2017	1253.50
DGCX	GOLD QUANTO 28JUL2017	28563.00
DGCX	GOLD QUANTO 28SEP2017	28680.00
DGCX	SILVER 29AUG2017	16.85
DGCX	SILVER 28NOV2017	16.85
DGCX	SILVER QUANTO 29JUN2017	38704.00
DGCX	SILVER QUANTO 30AUG2017	39128.00

## Gold Spot 999

Exch.	Descr.	Last
CMDTY	Gold 999 - Ahemdabad	29615.00
CMDTY	Gold 999 - Bangalore	29650.00
CMDTY	Gold 999 - Chennai	29625.00
CMDTY	Gold 999 - Cochin	29640.00
CMDTY	Gold 999 - Delhi	29610.00
CMDTY	Gold 999 - Hyderabad	29200.00
CMDTY	Gold 999 - Jaipur	29570.00
CMDTY	Gold 999 - Mumbai	28800.00

## Bullion Futures on MCX

Exch.	Descr.	Last
MCX	GOLD 04AUG2017	28567.00
MCX	GOLD 05OCT2017	28739.00
MCX	GOLD 05DEC2017	28908.00
MCX	SILVER 05JUL2017	38704.00
MCX	SILVER 05SEP2017	39128.00
MCX	SILVER 05DEC2017	39778.00

## Gold and Silver Fix

Exch.	Descr.	Last
CMDTY	Gold London AM FIX (US DOLLARS PER TROY OUNCE)	1251.60
CMDTY	Gold London PM FIX (US DOLLARS PER TROY OUNCE)	1248.00
CMDTY	Silver London FIX (US DOLLARS PER TROY OUNCE)	16.78

## Gold / Silver Ratio

Exch.	Descr.	Last
INTL.SPOT	GOLD SILVER RATIO	74.30
MCX	MCX GOLD SILVER RATIO	73.81

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Report is prepared for information purposes only.

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