



IBJA Market Update

Daily Market Update

Report as on Thursday, June 01, 2017

Polled Premium/Discount for 995 gold in Ahmedabad -1.00 USD/troy oz on May 31, 2017.

Gold prices yesterday morning traded in the range while in evening session prices regained its strength as the dollar dipped and simmering geopolitical tensions lent support, while upside still capped amid an increased chance of a US interest rate rise next month.

Market talk are there if GST on gold in India is fixed at 5%, it would be hugely bearish for world gold prices, which in turn should prove positive for an importing country such as India. As it would neutralise the impact of a higher tax burden.

Gold market in Kerala is slowly emerging ahead of the all-important festive Onam season which sees a concentration of weddings in the state, the gold market has already grown by 10 to 15 percent from a year earlier.

Tamil Nadu is the largest gold consumer among Indian states. Kerala's share is no smaller considering its size. Kerala accounts for 8 to 9% of total sales, merchants estimate. The WGC estimates gold sales of 700 tons on average in India. Kerala is expected to buy 60 tons on average, going by its estimated share of upto 9% of gold sales.

India may be far behind the US in terms of economy and per capita income, but when it comes to buying gold, Indians are far ahead of their American counterparts. During the Q1'17 demand for gold jewellery was 92.3tns in comparison to 22.9tns in the world's largest economy, according to WGC data.

Date	Gold	Silver
31 May 2017 (Wednesday)	28975.00	40285.00
30 May 2017 (Tuesday)	29000.00	40360.00
29 May 2017 (Monday)	29030.00	40360.00

* The above rate are IBJA PM rates

31 May 2017 (Wednesday)

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Outlook : Gold outlook remain positive supported by weakness in dollar and simmering geopolitical tensions, one should go long near to 29000 level with stoploss below 28850 level for a jump till 29250 level.

Market View		Daily Levels	
Open	28925.00	Resistance	
High	29119.00	29437.00	
Low	28868.00	29278.00	
Close	29094.00	29186.00	
Value Change	146.00	28935.00	
% Change	0.50	28776.00	
Margin	5.00	28684.00	
Margin (Rs.)	145470	Support	
Volume	5005.00		
Open Interest	3522.00	Spread	
Cng in OI (%)	31.61	OCT - AUG	
Prev Value(Mln)	14499.43	53.00	
52 Week High	32011.00	DEC - OCT	
52 Week Low	28043.00	461.00	

Gold on MCX settled up 0.5% at 29094 recovered from the day's in the evening session after dollar dipped and simmering geopolitical tensions lent support, though the metal was little changed for the month amid an increased chance of a US interest rate rise next month, also support seen after news reports indicated President Donald Trump will exit the Paris climate change accords. The dollar fell but however, were limited by U.S. economic data this week that supported the case for a Federal Reserve interest rate hike next month. Traders see an 86.6 percent chance of a 25-basis-point rate hike at the Fed's June 13-14 policy meeting. Another event is building this week is from India where the decision on the GST rate on gold will be announced. Currently, gold attracts a 10 per cent ad valorem customs duty on import, 1% VAT and 1% excise duty (on jewellery), for a total tax burden of 12 per cent. Given the five-slab GST rates, it would be logical to fix the GST rate at 5%, the lowest positive rate, notwithstanding the fact that it would take the total tax on gold, including jewellery, to 15 per cent (10% customs duty plus 5% GST). Market talk are there if GST on gold in India is fixed at 5%, it would be hugely bearish for world gold prices, which in turn should prove positive for an importing country such as India. As it would neutralise the impact of a higher tax burden. Now Investors are keenly awaiting Friday's US non-farm payrolls report, which could set the dollar's tone in the short term. Technically market is getting support at 28935 and below same could see a test of 28776 level, And resistance is now likely to be seen at 29186, a move above could see prices testing 29278.

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Gold Spot 995

Exch.	Descr.	Last
CMDTY	Gold 995 - Ahemdabad	29050.00
CMDTY	Gold 995 - Bangalore	29060.00
CMDTY	Gold 995 - Chennai	29050.00
CMDTY	Gold 995 - Cochin	29080.00
CMDTY	Gold 995 - Delhi	29110.00
CMDTY	Gold 995 - Hyderabad	29050.00
CMDTY	Gold 995 - Jaipur	29060.00
CMDTY	Gold 995 - Kolkata	29125.00
CMDTY	Gold 995 - Mumbai	28800.00

Silver Spot 999

Exch.	Descr.	Last
CMDTY	Silver 999 - Ahemdabad	39700.00
CMDTY	Silver 999 - Bangalore	40130.00
CMDTY	Silver 999 - Chennai	40140.00
CMDTY	Silver 999 - Delhi	40135.00
CMDTY	Silver 999 - Hyderabad	40150.00
CMDTY	Silver 999 - Jaipur	40130.00
CMDTY	Silver 999 - Kolkata	40500.00
CMDTY	Silver 999 - Mumbai	40200.00

Bullion Futures on DGCX

Exch.	Descr.	Last
DGCX	GOLD 27JUL2017	1273.00
DGCX	GOLD 27SEP2017	1274.10
DGCX	GOLD QUANTO 28JUL2017	29095.00
DGCX	GOLD QUANTO 28SEP2017	29212.00
DGCX	SILVER 28JUN2017	17.31
DGCX	SILVER 29AUG2017	17.35
DGCX	SILVER QUANTO 29JUN2017	39992.00
DGCX	SILVER QUANTO 30AUG2017	40452.00

Gold Spot 999

Exch.	Descr.	Last
CMDTY	Gold 999 - Ahemdabad	29200.00
CMDTY	Gold 999 - Bangalore	29210.00
CMDTY	Gold 999 - Chennai	29200.00
CMDTY	Gold 999 - Cochin	29230.00
CMDTY	Gold 999 - Delhi	29260.00
CMDTY	Gold 999 - Hyderabad	29200.00
CMDTY	Gold 999 - Jaipur	29210.00
CMDTY	Gold 999 - Mumbai	28950.00

Bullion Futures on MCX

Exch.	Descr.	Last
MCX	GOLD 05JUN2017	28843.00
MCX	GOLD 04AUG2017	29094.00
MCX	GOLD 05OCT2017	29147.00
MCX	SILVER 05JUL2017	40096.00
MCX	SILVER 05SEP2017	40556.00
MCX	SILVER 05DEC2017	41176.00

Gold and Silver Fix

Exch.	Descr.	Last
CMDTY	Gold London AM FIX (US DOLLARS PER TROY OUNCE)	1263.80
CMDTY	Gold London PM FIX (US DOLLARS PER TROY OUNCE)	1266.20
CMDTY	Silver London FIX (US DOLLARS PER TROY OUNCE)	17.31

Gold / Silver Ratio

Exch.	Descr.	Last
INTL.SPOT	GOLD SILVER RATIO	73.23
MCX	MCX GOLD SILVER RATIO	71.93

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Report is prepared for information purposes only.

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