



**INDIA BULLION AND JEWELLERS  
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## IBJA Market Update

### Daily Market Update

**Report as on Friday, March 16, 2018**

# **Polled Premium/Discount for 995 gold in Ahmedabad -1.50 USD/troy oz on March 15, 2018.**

# Centre to roll out new gold policy by early next month - The Centre is set to announce a new gold policy by end of this month or first half of April to institutionalise and bring in more transparency in the trade. It also is in the process of setting up policy frame work for launching spot gold exchange and a Gold Board that would eventually be considered to regulate the spot exchange. Speaking at the fifth India International Bullion Summit here on Thursday, Manoj Dwivedi, Joint Secretary, Ministry of Commerce and Industry, said the process of collecting suggestions from the industry players is almost done and NITI-Aayog is in the process of releasing a the gold policy by March-end or early April.

# Global rough diamond production likely to halve, prices to increase - Adding to the worry of diamantaires in Surat, the global rough diamond supply is forecast to contract by 3.4% in 2018, resulting in an increase of prices by almost 3-4 per cent. This has been observed by world's leading independent diamond industry analyst Paul Zimnisky. Zimnisky has opined that of the world's top three diamond miners by volume, only De Beers is expected to increase production this year, while the diamond output at Russia's Alrosa and diversified major Rio Tinto is estimated to decline, more than offsetting De Beers' increase.

# Banks shut doors on small jewellers post PNB scam - Bank finance to small and medium jewellers, who constitute more than 80 per cent of the gold trade, has dried up as a fallout of the Nirav Modi-PNB scam. Banks are also demanding good credit ratings from them as a pre-requisite to getting loans. Nitin Khandelwal, chairman, GJF told: "The smaller sized jewellers who were already being asked to shell out 100 per cent-125 per cent collaterals are now being denied funding from banks altogether." Khandelwal said that even small-sized loans worth per cent 10 crore are not being sanctioned. "Banks are now asking credit ratings from small and medium-sized jewellers. They are asking for BBB or A rating from jewellers for considering funding proposal," he said.

# Mandatory hallmarking of gold jewellery in phases, BIS rules to be notified - Mandatory hallmarking of gold jewellery will become a reality any time during the next quarter, that is, from financial year 2018-19, if the government decides to go ahead with it. The Bureau of Indian Standard has submitted rules under the amended BIS Act enacted two years ago, to the law ministry, which is understood to have cleared them. The matter now lies with Ministry of Consumer Affairs. Jewellery hallmarking was also recommended by the Niti Aayog panel on comprehensive gold policy, and sources say the government is likely to go ahead with the measure irrespective of when decisions on other aspects of the policy are taken.

# LoU ban hits importers as cost goes up - The \$85 billion buyers credit market has come to a standstill after the Reserve Bank of India banned banks from issuing Letters of Undertaking in the wake of the \$2 billion scam at state-run Punjab National Bank. The RBI's decision evoked strong reaction from traders and trade bodies stating that big importers and exporters will suffer at the absence of this cheaper financial instrument. Many exporters import raw materials and availed LoUs and increase in their cost will impact their competitiveness. "A lot of people especially genuine businessmen will be impacted and the ban is not exactly the proper thing to do" said Rajesh Mehta, Chairman, Rajesh Exports Ltd, one of India's largest bullion exporters said.

Date	Gold*	Silver*
15 Mar 2018 (Thursday)	30475.00	38330.00
14 Mar 2018 (Wednesday)	30525.00	38445.00
13 Mar 2018 (Tuesday)	30400.00	38345.00

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

15 Mar 2018 (Thursday)

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**Outlook:** Gold prices remain under pressure amid dollar strength as focus shifted to the Federal Reserve's monetary policy decision next week. For the day prices a jump towards 30340-30380 level will look to sell with a stoploss of below 30500 expecting prices to drop towards 30250-30150 level.

Market View		Daily Levels
Open	30433.00	Resistance
High	30473.00	30635.00
Low	30264.00	30554.00
Close	30299.00	30426.00
Value Change	-106.00	30217.00
% Change	-0.35	30136.00
Margin	5.00	30008.00
Margin (Rs.)	151495	Support
Volume	7747.00	Spread
Open Interest	5669.00	JUN - APR
Cng in OI (%)	-4.06	AUG - JUN
Prev Value(Mln)	23508.94	198.00
52 Week High	30839.00	
52 Week Low	28074.00	169.00

Gold on MCX settled down -0.35% at 30299 as US manufacturing data showed mixed growth in March. The dollar rose awaiting next week's Federal Reserve meeting, eyed data that showed the number of Americans filing for unemployment benefits fell last week. Growing U.S. political uncertainties following the recent departure of two key officials, former Secretary of State Rex Tillerson and top economic advisor Gary Cohn, from the Trump administration have also left investors worried. President Donald Trump announced that he has selected Larry Kudlow to head the next White House National Economic Council, replacing Gary Cohn who recently resigned from this post. White House Press Secretary Sarah Sanders confirmed Trump's appointment in a statement that said, "Larry Kudlow was offered, and accepted, the position of assistant to the President for Economic Policy and Director of the National Economic Council. We will work to have an orderly transition and will keep everyone posted on the timing of him officially assuming the role." The new chief economic advisor was quoted yesterday as saying that President Trump favors a strong U.S. dollar, and as such we can expect the dollar to continue to gain value in the short term. Holdings of SPDR Gold Trust, the world's largest gold-backed exchange-traded fund, rose 0.53 percent to 838.15 tonnes on Thursday from 833.73 tonnes on Wednesday. The two-day Federal Open Market Committee meeting begins on March 20 at which the U.S. central bank is expected to raise interest rates for the first time this year. Technically market is under long liquidation as market has witnessed drop in open interest by -4.06% to settled at 5669, now Gold is getting support at 30217 and below same could see a test of 30136 level, And resistance is now likely to be seen at 30426, a move above could see prices testing 30554.

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## Gold Spot 995

Exch.	Descr.	Last*
CMDTY	Gold 995 - Ahemdabad	31235.00
CMDTY	Gold 995 - Bangalore	31230.00
CMDTY	Gold 995 - Chennai	31240.00
CMDTY	Gold 995 - Cochin	31240.00
CMDTY	Gold 995 - Delhi	31235.00
CMDTY	Gold 995 - Hyderabad	31215.00
CMDTY	Gold 995 - Jaipur	31230.00
CMDTY	Gold 995 - Kolkata	31280.00
CMDTY	Gold 995 - Mumbai	31310.00

\* Rates including GST

## Silver Spot 999

Exch.	Descr.	Last*
CMDTY	Silver 999 - Ahemdabad	39240.00
CMDTY	Silver 999 - Bangalore	39405.00
CMDTY	Silver 999 - Chennai	39405.00
CMDTY	Silver 999 - Delhi	39405.00
CMDTY	Silver 999 - Hyderabad	39450.00
CMDTY	Silver 999 - Jaipur	39410.00
CMDTY	Silver 999 - Kolkata	39550.00
CMDTY	Silver 999 - Mumbai	39500.00

\* Rates including GST

## Bullion Futures on DGCX

Exch.	Descr.	Last
DGCX	GOLD 27MAR2018	1316.40
DGCX	GOLD 29MAY2018	1322.10
DGCX	GOLD QUANTO 28MAR2018	30297.00
DGCX	GOLD QUANTO 30MAY2018	30410.00
DGCX	SILVER 26APR2018	16.40
DGCX	SILVER 27JUN2018	16.68
DGCX	SILVER QUANTO 27APR2018	38710.00
DGCX	SILVER QUANTO 28JUN2018	39226.00

## Gold Spot 999

Exch.	Descr.	Last*
CMDTY	Gold 999 - Ahemdabad	31385.00
CMDTY	Gold 999 - Bangalore	31380.00
CMDTY	Gold 999 - Chennai	31390.00
CMDTY	Gold 999 - Cochin	31390.00
CMDTY	Gold 999 - Delhi	31385.00
CMDTY	Gold 999 - Hyderabad	31365.00
CMDTY	Gold 999 - Jaipur	31380.00
CMDTY	Gold 999 - Mumbai	31460.00

\* Rates including GST

## Bullion Futures on MCX

Exch.	Descr.	Last
MCX	GOLD 04AUG2017	30299.00
MCX	GOLD 05OCT2017	30497.00
MCX	GOLD 05DEC2017	30666.00
MCX	SILVER 05JUL2017	38587.00
MCX	SILVER 05SEP2017	39090.00
MCX	SILVER 05DEC2017	39700.00

## Gold and Silver Fix

Exch.	Descr.	Last
CMDTY	Gold London AM FIX	1323.35
CMDTY	Gold London PM FIX	1318.75
CMDTY	Silver London FIX	16.52

## Gold / Silver Ratio

Exch.	Descr.	Last
INTL. SPOT	GOLD SILVER RATIO	80.25
MCX	MCX GOLD SILVER RATIO	78.52

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Report is prepared for information purposes only.

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