



**INDIA BULLION AND JEWELLERS
ASSOCIATION LTD.**

Since 1919



IBJA Market Update

Daily Market Update

Report as on Monday, June 18, 2018

Polled Premium/Discount for 995 gold in Ahmedabad -6.00 USD/troy oz on June 15, 2018.

Gold tumbles despite US-China tensions - Gold prices have slumped to a near-six-month low, as investors from China jittery about trade skirmishes with the United States unloaded bullion, and others joined the selling spree after prices breached below technical support of \$US1,290 per ounce. US President Donald Trump announced hefty tariffs on \$US50 billion of Chinese imports, and Beijing threatened to respond in kind. The move, which looks set to ignite a trade war between the world's two largest economies, rattled gold investors.

Hedge funds pick the wrong time to go big on gold - Hedge funds just mistimed their gold bets. Money managers as of Tuesday pushed their wagers on a bullion rally to the highest in seven weeks. The next day, US Federal Reserve policymakers signaled more interest-rate increases this year than earlier projected. Gold ended up posting a weekly loss as the US dollar rallied. Bullion has been stuck in the doldrums for most of this year as the outlook for higher borrowing costs dimmed prospects for the metal, which does not pay interest. Even rising trade tensions between the US and China that sent equities and bond yields tumbling Friday were not enough to boost gold's haven appeal as the metal fell the most in 18 months.

Global demand for gold fell to a 10-year low - According to the WGC, the demand for gold in the first quarter of 2018 was the lowest for this period in the last decade. Indicator in January-March decreased by 7% compared to the same period in 2017. It was 973,5 tons, the lowest since 2008. Experts attribute the stagnation of demand with relative price stability that has been at the narrowest quarterly range for more than 10 years. The main decline in demand fell on the investment segment, where the consumption of bars and coins fell by 15%, and the flow of metal to the exchange-traded index funds collapsed by 70% in the annual comparison. Jewelry demand decreased by 1%.

India's exports hit six month high in May after brief lull - In a major boost to the government, India's exports grew 20.18 percent to \$28.86 billion in May, recording the highest number in six months. Even though exports outpaced imports, higher oil import bill wiped away the benefits of a contraction in gold imports. "Based on the available data for April-May 2018, the current account deficit may widen to US\$15-16 billion or around 2.4% of GDP in the ongoing quarter, from US\$14 billion in Q1 FY 2018, with higher commodity prices counteracting the likely contraction in gold imports," Aditi Nayar of ICRA told FE Online.

Shree Ganesh Jewelry House promoter Nilesh Parekh, was arrested by DRI sleuths on Friday for allegedly siphoning off 1,700 kg of imported duty-free gold and defrauding 25 banks - In a fraud that matches the multi-crore PNB scam in size, a Kolkata-based gold businessman allegedly cheated a consortium of 25 banks to the tune of Rs12,000 crore, according to DRI officials. The alleged mastermind behind the fraud, Shree Ganesh Jewelry House promoter Nilesh Parekh, was arrested by DRI sleuths on Friday for allegedly siphoning off 1,700 kg of imported duty-free gold and defrauding 25 banks. He was sent to eight days judicial custody on Saturday. This is not the first time Parekh got on the wrong side of the law. In May 2017, the CBI had arrested Parekh over charges of siphoning off bank loans worth Rs 2,672 crore through hawala channels to dummy companies in Singapore, Dubai and Hong Kong.

Date	Gold*	Silver*
15 Jun 2018 (Friday)	31250.00	41515.00
14 Jun 2018 (Thursday)	31230.00	41070.00
13 Jun 2018 (Wednesday)	31015.00	40580.00

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

15 Jun 2018 (Friday)

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Outlook: Gold prices slumped to three-week lows as disappointed speculators liquidated long positions despite fresh trade skirmishes between the United States and China. For the day prices a jump towards 31060-31100 will look to sell with a stoploss of above 31260 expecting prices to drop towards 30980-30850 level.

Market View		Daily Levels
Open	31393.00	Resistance
High	31424.00	31770.00
Low	30958.00	31597.00
Close	31010.00	31304.00
Value Change	-367.00	30838.00
% Change	-1.17	30665.00
Margin	5.00	30372.00
Margin (Rs.)	155050	Support
Volume	11933.00	
Open Interest	6156.00	Spread
Cng in OI (%)	-11.37	OCT - AUG
Prev Value(Mln)	37238.27	321.00
52 Week High	31808.00	DEC - OCT
52 Week Low	29435.00	481.00

Gold on MCX settled down -1.17% at 31010 as disappointed speculators liquidated long positions despite fresh trade skirmishes between the United States and China. Gold deepened losses after President Donald Trump announced that the United States will implement a 25 percent tariff on \$50 billion of goods from China and Beijing quickly said it would hit back with its own tariffs. There was some support in gold prices after the European Central Bank (ECB) policy announcement struck a decidedly dovish tone, as expected. The ECB also announced it would halt bond purchases and would phase out the economic stimulus by the end of the year. The central bank also said it would keep its interest rates unchanged at least through the summer of 2019. Gold discounts in India were at their widest in nine months this week as higher domestic prices tempered retail purchases, while buying in other Asian centres remained subdued amid a lack of significant momentum in global prices. Dealers in India were offering a discount of up to \$7.50 an ounce over official domestic prices this week, the highest since Sept. 9. This compared with discounts of \$5 last week. Meanwhile, the Bank of Japan maintained its ultra-loose monetary policy and downgraded its view on inflation in a fresh blow to its long-held 2 percent price goal. Russia produced 33.46 tonnes of gold in the first two months of 2018, up from 31.01 tonnes in the same period in 2017, the finance ministry said. Technically market is under long liquidation as market has witnessed drop in open interest by -11.37% to settled at 6156 while prices down -367 rupees, now Gold is getting support at 30838 and below same could see a test of 30665 level, And resistance is now likely to be seen at 31304, a move above could see prices testing 31597.

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Gold Spot 995

Exch.	Descr.	Last*
CMDTY	Gold 995 - Ahmedabad	31990.00
CMDTY	Gold 995 - Bangalore	31995.00
CMDTY	Gold 995 - Chennai	31995.00
CMDTY	Gold 995 - Cochin	31995.00
CMDTY	Gold 995 - Delhi	31980.00
CMDTY	Gold 995 - Hyderabad	32000.00
CMDTY	Gold 995 - Jaipur	31980.00
CMDTY	Gold 995 - Kolkata	32025.00
CMDTY	Gold 995 - Mumbai	31980.00

* Rates including GST

Silver Spot 999

Exch.	Descr.	Last*
CMDTY	Silver 999 - Ahmedabad	42350.00
CMDTY	Silver 999 - Bangalore	42730.00
CMDTY	Silver 999 - Chennai	42710.00
CMDTY	Silver 999 - Delhi	42730.00
CMDTY	Silver 999 - Hyderabad	42730.00
CMDTY	Silver 999 - Jaipur	42700.00
CMDTY	Silver 999 - Kolkata	42800.00
CMDTY	Silver 999 - Mumbai	42745.00

* Rates including GST

Bullion Futures on DGCX

Exch.	Descr.	Last
DGCX	GOLD 27JUL2018	1282.40
DGCX	GOLD 26SEP2018	1288.00
DGCX	GOLD QUANTO 30JUL2018	31012.00
DGCX	GOLD QUANTO 27SEP2018	31236.00
DGCX	SILVER 27JUN2018	16.59
DGCX	SILVER 29AUG2018	16.64
DGCX	SILVER QUANTO 28JUN2018	40200.00
DGCX	SILVER QUANTO 30AUG2018	40914.00

Gold Spot 999

Exch.	Descr.	Last*
CMDTY	Gold 999 - Ahmedabad	32120.00
CMDTY	Gold 999 - Bangalore	32145.00
CMDTY	Gold 999 - Chennai	32145.00
CMDTY	Gold 999 - Cochin	32145.00
CMDTY	Gold 999 - Delhi	32130.00
CMDTY	Gold 999 - Hyderabad	32150.00
CMDTY	Gold 999 - Jaipur	32100.00
CMDTY	Gold 999 - Mumbai	32130.00

* Rates including GST

Bullion Futures on MCX

Exch.	Descr.	Last
MCX	GOLD 04AUG2017	31010.00
MCX	GOLD 05OCT2017	31331.00
MCX	GOLD 05DEC2017	31812.00
MCX	SILVER 05JUL2017	40199.00
MCX	SILVER 05SEP2017	40913.00
MCX	SILVER 05DEC2017	42679.00

Gold and Silver Fix

Exch.	Descr.	Last
CMDTY	Gold London AM FIX	1341.05
CMDTY	Gold London PM FIX	1341.05
CMDTY	Silver London FIX	16.45

Gold / Silver Ratio

Exch.	Descr.	Last
INTL. SPOT	GOLD SILVER RATIO	77.63
MCX	MCX GOLD SILVER RATIO	77.14

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