



## Daily Market Update

Report as on Wednesday, September 19, 2018

# Gold prices drifted lower on Tuesday as the dollar edged higher after the United States announced a 10% tariff on \$200 billion in imports from China, starting next week. The 10% rate will be applicable till the year-end, after which it would increase to 25% from January 1, 2019. The move by the U.S. has escalated the trade tension between the world's two largest economies. The Chinese government, which stated that the United States has not been "sincere" and it has no choice but to retaliate, has imposed tariffs on \$60 billion in American products and this will be in force from September 24. It is worth recalling that the U.S. President Donald Trump had warned that he would pursue tariffs on about \$267 billion of additional imports if China takes retaliatory action.

# IMF estimates 'real' depreciation of Indian rupee this year at 6 to 7 per cent - The real effective depreciation of the Indian rupee this year, compared to December 2017, is between six and seven per cent, according to the IMF, which warned that it would jack up the prices of imported goods such as oil and petroleum products, potentially putting an upward pressure on inflation. Since the beginning of the year, the Indian rupee "has lost about 11 per cent of its value in nominal terms vis a vis the US dollar", IMF spokesperson Gerry Rice said. He was responding to a question on the fall of the Indian currency in the last few months. He, however, said the currencies of many of India's trading partners, including those in the emerging markets, too have depreciated against the dollar.

# Silver's Discount to Gold Is the Biggest Since the 1990s - With gold the most expensive relative to silver in more than 20 years, investors in exchange-traded funds are betting on the cheaper metal. Bullion is about 85 times more expensive than silver per ounce, a ratio not seen since 1995. Both metals have been hammered this year, falling as the dollar rose and investors opted for the yield offered by stocks and bonds. While ETF holdings backed by gold have fallen 1.3 percent this year, those tracking silver have climbed 2.3 percent. The cheaper metal typically trades as a higher-beta asset, meaning an upturn in precious metals would tend to benefit long positions in silver more.

# Govt may take policy steps to curb gold imports; unlikely to raise duties - The government is likely to take certain policy measures to curb high gold imports instead of raising customs duty on the precious metal, sources said. The effort is a part of the exercise by the government to check fall in rupee value and control current account deficit (CAD). "There is not much scope for hike in import duty on gold. Rather, it would be some kind of policy measures to reduce gold import. Higher import duty on gold may increase smuggling activities," they said.

# Indian officials rule out gold import fee hike over smuggling fears - The Indian Government has said it is considering taking action to slow the importation of gold into the country, but wants to avoid an increase in importation duties due to fears over smuggling. A source told India's PTI news agency that officials are instead considering alternative policy interventions to curb imports, which are having an adverse effect on the value of the rupee. "There is not much scope for hike in import duty on gold," the source said. "Rather, it would be some kind of policy measures to reduce gold import. Higher import duty on gold may increase smuggling activities."

Date	Gold*	Silver*
18 Sep 2018 (Tuesday)	30960.00	36990.00
17 Sep 2018 (Monday)	30750.00	36700.00
14 Sep 2018 (Friday)	30710.00	36595.00

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

18 Sep 2018 (Tuesday)

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Outlook: Gold prices edged up as the dollar eased following news that China would retaliate against a new round of U.S. tariffs on its goods. For the day prices a drop towards 30750-30720 will look to buy with a stoploss of below 30620 expecting prices to jump towards 30880-31000 level.

## MCX GOLD

Market View	Daily Levels	
Open	30707.00	<b>Resistance</b>
High	30928.00	31216.00
Low	30644.00	31072.00
Close	30793.00	30932.00
Value Change	17.00	30648.00
% Change	0.06	30504.00
Margin	5.00	30364.00
Margin (Rs.)	153965	<b>Support</b>
Volume	9411.00	
Open Interest	7777.00	<b>Spread</b>
Cng in OI (%)	-8.19	<b>DEC - OCT</b>
Prev Value(Mln)	28967.87	227.00
52 Week High	31963.00	<b>FEB - DEC</b>
52 Week Low	29268.00	209.00

Gold prices steadied as the dollar eased following news that China would retaliate against a new round of U.S. tariffs on its goods. China and the United States plunged deeper into a trade war after Beijing added \$60 billion of U.S. products to its import tariff list in retaliation for President Donald Trump's planned levies on \$200 billion worth of Chinese goods. Investors looked past the latest escalation in the U.S.-China trade conflict, seen by some market participants as less severe than expected. Previous developments in the U.S.-China trade conflict had prompted investors to buy the U.S. dollar in the belief that the United States has less to lose from the dispute. The U.S. Senate voted overwhelmingly on Tuesday to pass a mammoth spending package including \$675 billion for the Defense Department and a measure to keep the entire federal government open until Dec. 7, a step toward avoiding a Sept. 30 shutdown. Traders are increasing bets the Federal Reserve will raise U.S. short-term interest rates into 2019 as the jobs market tightens and with inflation seen climbing above its 2 percent goal. The Bank of Japan is expected to keep monetary policy steady on Wednesday and maintain its optimistic view on the economy, even as escalating global trade frictions threaten to chill growth. Prime Minister Theresa May said Britain and the European Union were nearing a divorce deal but called on the bloc to show "goodwill and determination" to avoid a disorderly Brexit and secure a close future partnership. Holdings in SPDR Gold Trust, the world's largest gold-backed exchange-traded fund, fell 0.04 percent to 742.23 tonnes on Tuesday. Technically now Gold is getting support at 30648 and below same could see a test of 30504 level, And resistance is now likely to be seen at 30932, a move above could see prices testing 31072.

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INT. GOLD\$		
Market View		Daily Levels
Open	1201.26	<b>Resistance</b>
High	1202.82	1208.31
Low	1196.16	1205.56
Close	1197.73	1201.65
Value Change	-3.26	1194.99
% Change	0.00	1192.24
		1188.33
		<b>Support</b>

Outlook: Gold price fluctuates around the EMA50 since morning, while stochastic continues to provide the negative signals that we are waiting to push the price to break 1190.00 level and ease the mission of heading towards our first target at 1185.00. In general, we will continue to suggest the bearish trend for the rest of the day unless we witnessed clear breach and hold above 1208.40.

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scaring trade war worries, Meanwhile, the IMF said that the Indian rupee has 'effectively' depreciated only 6-7 per cent this year after adjusting it to inflation, almost half of the actual drop in the value of the currency this year. Technically market is getting support at 72.55 and below same could see a test of 72.18 level, And resistance is now likely to be seen at 73.16, a move above could see prices testing 73.40

USDINR		
Market View		Daily Levels
Open	72.5275	Resistance
High	73.0375	73.78
Low	72.4225	73.41
Close	72.9275	73.17
Value Change	0.3800	72.55
% Change	0.52	72.18
Margin	2.51	71.94
Margin (Rs.)	1830	Support
Volume	3124019	
Open Interest	2864780	Spread
Cng in OI (%)	-0.55	OCT - SEP
Prev Value(Mln)	226935.24	0.3050
52 Week High	73.0375	NOV - OCT
52 Week Low	64.5000	0.2825

Rupee weakened as Brent crude oil prices surges beyond \$79 a barrel after reports that Saudi Arabia is comfortable with Brent above \$80 a barrel. Also, foreign banks bought dollars likely for overseas investors who pulled out of local stocks, bidding up dollar demand further. The Indian government announced a slew of steps aimed at stemming a steep decline in the rupee, which has fallen rapidly this year, and it left the door open to announcing more measures. After an economic review meeting chaired by Prime Minister Narendra Modi, India's finance minister said the government plans to take measures to cut down "non-necessary" imports, ease overseas borrowing norms for the manufacturing sector and relax rules around banks raising masala bonds, or rupee-denominated overseas bonds. Despite strong GDP growth, the rupee has weakened about 11 percent this year amid higher oil prices and an emerging market sell-off. India's trade deficit narrowed to \$17.4 billion in August from a five year high of \$18.02 billion hit in July, the trade ministry said, helped by a pickup in exports after a fall in the rupee. In August, merchandise exports rose 19.21 percent from a year earlier to \$27.84 billion, after a gain of 14.32 percent in July. Imports grew 25.41 percent last month to \$45.24 billion due to higher oil imports, which rose 51.62 percent to \$11.83 billion from a year earlier. Technically now USDINR is getting support at 72.5625 and below same could see a test of 72.185 level, And resistance is now likely to be seen at 73.1775, a move above could see prices testing 73.415.

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## Gold Spot 995

Exch.	Descr.	Last*
CMDTY	Gold 995 - Ahmedabad	31780.00
CMDTY	Gold 995 - Bangalore	31775.00
CMDTY	Gold 995 - Chennai	31775.00
CMDTY	Gold 995 - Cochin	31775.00
CMDTY	Gold 995 - Delhi	31750.00
CMDTY	Gold 995 - Hyderabad	31760.00
CMDTY	Gold 995 - Jaipur	31745.00
CMDTY	Gold 995 - Kolkata	31800.00
CMDTY	Gold 995 - Mumbai	31775.00

\* Rates including GST

## Silver Spot 999

Exch.	Descr.	Last*
CMDTY	Silver 999 - Ahmedabad	37800.00
CMDTY	Silver 999 - Bangalore	38100.00
CMDTY	Silver 999 - Chennai	38070.00
CMDTY	Silver 999 - Delhi	38050.00
CMDTY	Silver 999 - Hyderabad	38175.00
CMDTY	Silver 999 - Jaipur	38050.00
CMDTY	Silver 999 - Kolkata	38200.00
CMDTY	Silver 999 - Mumbai	38100.00

\* Rates including GST

## Bullion Futures on DGCX

Exch.	Descr.	Last
DGCX	GOLD 26SEP2018	1199.40
DGCX	GOLD 28NOV2018	1203.90
DGCX	GOLD QUANTO 27SEP2018	30792.00
DGCX	GOLD QUANTO 29NOV2018	30969.00
DGCX	SILVER 28NOV2018	14.22
DGCX	SILVER 26FEB2019	14.22
DGCX	SILVER QUANTO 29NOV2018	41189.00

## Gold Spot 999

Exch.	Descr.	Last*
CMDTY	Gold 999 - Ahmedabad	31910.00
CMDTY	Gold 999 - Bangalore	31925.00
CMDTY	Gold 999 - Chennai	31925.00
CMDTY	Gold 999 - Cochin	31925.00
CMDTY	Gold 999 - Delhi	31900.00
CMDTY	Gold 999 - Hyderabad	31910.00
CMDTY	Gold 999 - Jaipur	31865.00
CMDTY	Gold 999 - Mumbai	31925.00

\* Rates including GST

## Bullion Futures on MCX

Exch.	Descr.	Last
MCX	GOLD 04AUG2017	30793.00
MCX	GOLD 05OCT2017	31020.00
MCX	GOLD 05DEC2017	31229.00
MCX	SILVER 05JUL2017	37438.00
MCX	SILVER 05SEP2017	38232.00
MCX	SILVER 05DEC2017	38752.00

## 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	84.67
MCX	MCX GOLD SILVER RATIO	82.25

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