



## IBJA Market Update

### Daily Market Update

Report as on Wednesday, June 20, 2018

# **Polled Premium/Discount for 995 gold in Ahmedabad -2.75 USD/troy oz on June 19, 2018.**

# Gold tumbles to fresh 6-month lows, below \$1275 level- After an initial uptick to \$1284 area, Gold came under some renewed selling pressure and tumbled to fresh six-month low in the last hour. In the latest development in escalating trade tensions between the world's two largest economies, the US President Donald Trump planned to impose additional tariffs of 10% to around \$200 billion worth of Chinese products. The news triggered a global wave of risk-aversion trade, as depicted by a sea of red across equity markets and further reinforced by the ongoing slump in the US Treasury bond yields and provided a minor boost to the precious metal's safe-haven appeal.

# South Korea lobbies India to relax gold import restrictions - The South Korean government wants restrictions on gold shipments into India, imposed last year, to be scrapped, declaring it a contravention of the FTA. Countering the demand, India, which since 2017 has been in the process of holding bilateral meetings to review and expand the FTA agreement, is seeking to incorporate 'value-addition norms' in the trade agreement to check the surge in the inflow of the precious metal into India. Under the FTA between the two countries, the customs duty on gold imported from South Korea is nil, against 10% applicable for shipments from non-FTA countries, along with a 3% integrated GST.

# Falling rupee, higher prices to impact jewellery in short-term - THE gold and diamond jewellery business is likely to be negatively impacted in short-term following rising prices, depreciating rupee and geopolitical tensions between the US and China, according to a report. Even as the medium-term prospects remain steady due to the overall economic growth and a greater proportion of middle class consumers, in the short-term, geopolitical tensions especially between the US and China would continue to impact the diamond sector, while rising prices and a falling rupee would weigh negatively on the gold jewellery segment.

# Indian rupee dives to near one-month low at 68.38 as trade war fears rise - Increasing prospects for a full-blown US-China trade war triggered a risk-off atmosphere in many global currency markets after US President Donald Trump ordered to impose another round of tariffs on more Chinese goods, prompting China to retaliate. The rupee today nosedived 39 paise to hit a near one-month low of 68.38 against the US dollar as escalating trade threats between the world's two biggest economies continued to spiral. Domestic forex market sentiment succumbed to bouts of pressure on revival of fresh global trade war fears and concerns about possibility that the adverse US trade policy will have a substantial impact on the Indian economy.

# Monsoon Could Push Gold Price Higher As Rural Demand Picks Up - Monsoon delivers about 70% of annual rainfall, spurring farm output and boosting spending on items ranging from gold to tractors and refrigerators. Monsoon rains, vital for Asia's economy, hit Kerala at the end of May, a few days earlier than normal, brightening the outlook for agricultural and economic output. Weather office IMD or India Meteorological Department has retained its monsoon forecast at 97 per cent of a long-term average. IMD defines average, or normal, rainfall as between 96 per cent and 104 per cent of a 50-year average of 89 cm for the entire four-month season beginning June. However, Radiant Solutions, a private US-based weather forecaster, expects monsoon to make slow progress over the next two weeks and delay the onset of crucial rains over north-western parts of the country.

Date	Gold*	Silver*
19 Jun 2018 (Tuesday)	30945.00	39820.00
18 Jun 2018 (Monday)	30915.00	40205.00
15 Jun 2018 (Friday)	31250.00	41515.00

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

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Market View		Daily Levels
Open	31035.00	<b>Resistance</b>
High	31098.00	31258.00
Low	30875.00	31178.00
Close	30891.00	31035.00
Value Change	-83.00	30812.00
% Change	-0.27	30732.00
Margin	5.00	30589.00
Margin (Rs.)	154455	<b>Support</b>
Volume	8647.00	
Open Interest	6097.00	<b>Spread</b>
Cng in OI (%)	2.89	<b>OCT - AUG</b>
Prev Value(Mln)	26793.96	309.00
52 Week High	31808.00	<b>DEC - OCT</b>
52 Week Low	29435.00	300.00

Outlook: Gold fell as a stronger greenback was overwhelmed by safe-haven buying, spurred by fears of a trade war between the world's two top economies. For the day prices a drop towards 30880-30860 will look to buy with a stoploss of below 30760 expecting prices to jump towards 30980-31100 level.

Gold on MCX settled down -0.27% at 30891 as a stronger greenback was overwhelmed by safe-haven buying, spurred by fears of a trade war between the world's two top economies. U.S. President Donald Trump threatened to impose a 10 percent tariff on \$200 billion of Chinese goods and Beijing said it would retaliate. The rising prospect of further U.S. Federal Reserve interest rate increases placed further pressure on gold. U.S. homebuilding surged to near an 11-year high in May. China has underestimated U.S. President Donald Trump's resolve to impose more tariffs unless it changes its "predatory" trade practices, a White House trade adviser said on Tuesday, as Trump greatly expanded the amount of Chinese imports possibly facing new duties. The European Central Bank will be patient in tightening policy further, President Mario Draghi said on Tuesday, adding that market pricings for its first post-crisis rate hike were consistent with its aim to move gradually. Prospects have risen for negotiations between the Taliban and the United States after Afghan President Ashraf Ghani called a ceasefire and allowed militants to roam into cities in a gamble to encourage peace talks. Foreign investors have pulled about \$5.5 billion out of emerging market economies since the U.S. Federal Reserve's interest rate hike last week, data from the Institute of International Finance showed. Technically market is under fresh selling as market has witnessed gain in open interest by 2.89% to settled at 6097 while prices down -83 rupees, now Gold is getting support at 30812 and below same could see a test of 30732 level, And resistance is now likely to be seen at 31035, a move above could see prices testing 31178.

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## Gold Spot 995

Exch.	Descr.	Last*
CMDTY	Gold 995 - Ahmedabad	31650.00
CMDTY	Gold 995 - Bangalore	31660.00
CMDTY	Gold 995 - Chennai	31655.00
CMDTY	Gold 995 - Cochin	31655.00
CMDTY	Gold 995 - Delhi	31655.00
CMDTY	Gold 995 - Hyderabad	31655.00
CMDTY	Gold 995 - Jaipur	31650.00
CMDTY	Gold 995 - Kolkata	31700.00
CMDTY	Gold 995 - Mumbai	31675.00

\* Rates including GST

## Silver Spot 999

Exch.	Descr.	Last*
CMDTY	Silver 999 - Ahmedabad	40570.00
CMDTY	Silver 999 - Bangalore	40935.00
CMDTY	Silver 999 - Chennai	40885.00
CMDTY	Silver 999 - Delhi	40935.00
CMDTY	Silver 999 - Hyderabad	40935.00
CMDTY	Silver 999 - Jaipur	40900.00
CMDTY	Silver 999 - Kolkata	41000.00
CMDTY	Silver 999 - Mumbai	40995.00

\* Rates including GST

## Bullion Futures on DGCX

Exch.	Descr.	Last
DGCX	GOLD 27JUL2018	1275.90
DGCX	GOLD 26SEP2018	1281.80
DGCX	GOLD QUANTO 30JUL2018	30888.00
DGCX	GOLD QUANTO 27SEP2018	31112.00
DGCX	SILVER 27JUN2018	16.34
DGCX	SILVER 29AUG2018	16.35
DGCX	SILVER QUANTO 28JUN2018	39569.00
DGCX	SILVER QUANTO 30AUG2018	40258.00

## Gold Spot 999

Exch.	Descr.	Last*
CMDTY	Gold 999 - Ahmedabad	31780.00
CMDTY	Gold 999 - Bangalore	31810.00
CMDTY	Gold 999 - Chennai	31805.00
CMDTY	Gold 999 - Cochin	31805.00
CMDTY	Gold 999 - Delhi	31805.00
CMDTY	Gold 999 - Hyderabad	31805.00
CMDTY	Gold 999 - Jaipur	31770.00
CMDTY	Gold 999 - Mumbai	31825.00

\* Rates including GST

## Bullion Futures on MCX

Exch.	Descr.	Last
MCX	GOLD 04AUG2017	30891.00
MCX	GOLD 05OCT2017	31200.00
MCX	GOLD 05DEC2017	31500.00
MCX	SILVER 05JUL2017	39688.00
MCX	SILVER 05SEP2017	40377.00
MCX	SILVER 05DEC2017	41475.00

## 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	78.17
MCX	MCX GOLD SILVER RATIO	77.83

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Report is prepared for information purposes only.

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