



Daily Market Update

Report as on Friday, July 20, 2018

Gold has broken to fresh one-year lows and is heading toward \$1,200 per troy ounce, now that spot prices have broken \$1,220. Gold has languished on soft physical demand and lackluster investor interest, as trade tensions and rising U.S. interest rates drive the U.S. dollar higher and spark selling in global commodities markets. Gold has been falling with other commodities, like copper, now nearly 20 percent from its December high. Gold is about 11 percent from its April high and is trading at the lowest level since July 11, 2017. Meanwhile, the dollar index Thursday hit a fresh 52-week high and was trading at 95.40. The dollar has been supported this week by comments from Fed Chairman Jerome Powell, who says the U.S. economy is strong and the Fed will continue its gradual rate hikes.

Gold demand to be positive in second half of 2018: WGC - Gold demand is likely to be healthy in the second half of 2018 on positive global economic growth, trade wars and its impact on currency and rising inflation, the WGC said in a report. Gold price rose by more than 4 per cent in the first few months of the year, only to finish in June down by the same amount and this downward trend continued during July as gold dropped almost an additional percentage point, WGC said in its mid-year outlook 2018 today. While gold's volatility spiked in February and April, it has been moving in a relatively low range since, it added.

Indian rupee crashes to life-time low of 69.05 against dollar - Indian rupee on Thursday took a hard 43-paise knock to close below the 69 level for the first time at a historic low of 69.05 against the US currency as upbeat comments on the US economy by the Federal Reserve chairman drove the greenback to one-year high levels higher against global currencies. This is the biggest single-day fall since May 29 and goes hand-in-hand with a stronger US dollar. The domestic currency suffered a major setback as forex sentiment turned wobbled once again with a resurgent dollar and a slew of local issues sparking jitters among investors.

Russia is dumping US debt and buying gold instead - The Russian Federation has sharply reduced its holdings of United States Treasury bonds with Russian ownership recently moving to an 11-year low, RT and Wolf Street reported. Russia's ownership of US bonds declined from \$96.1 billion in March to \$48.7 billion in April and now stands at just \$14.9 billion, according to the latest available data. The US Treasury on Tuesday released a list of the top 33 investors in US debt. Russia was in the top ten in 2010 with ownership of \$176.3 billion, but it now ranks below Chile in terms of US Treasury holdings. The Russian sell-off began in 2011 and has intensified as the US has raised sanctions against the country.

Chinese Gold Market: Still in the Driving Seat - With the first half of 2018 now behind us, it's an opportune time to look at what's been happening in the Chinese Gold Market. As a reminder, China is the largest gold producer in the world, the largest gold importer in the world, and China's Shanghai Gold Exchange is the largest physical gold exchange in the world. For various reasons such as cross-border trade rules, VAT rules and deep liquidity, nearly all physical gold supply in China passes through the Shanghai Gold Exchange (SGE) vaulting network. These flows include imported gold, domestically mined gold, and recycled gold. Therefore, nearly all Chinese gold demand has to be met by physical gold withdrawals from the SGE, and SGE gold withdrawals are a suitable proxy for Chinese wholesale gold demand.

Date	Gold*	Silver*
19 Jul 2018 (Thursday)	29850.00	37740.00
18 Jul 2018 (Wednesday)	29855.00	37935.00
17 Jul 2018 (Tuesday)	30205.00	38570.00

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

19 Jul 2018 (Thursday)

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Outlook: Gold recovered on short covering after prices seen under pressure as the dollar rose after comments from Fed Chairman that reaffirmed expectations more U.S. interest rate increases. For the day prices a drop towards 29820-29780 will look to buy with a stoploss of below 29680 expecting prices to jump towards 29940-30050 level.

Market View		Daily Levels	
Open	29800.00	Resistance	
High	29945.00	30287.00	
Low	29658.00	30116.00	
Close	29885.00	30000.00	
Value Change	119.00	29713.00	
% Change	0.40	29542.00	
Margin	5.00	29426.00	
Margin (Rs.)	149425	Support	
Volume	7320.00		
Open Interest	6261.00	Spread	
Cng in OI (%)	-6.05	OCT - AUG	
Prev Value(Mln)	21786.65	259.00	
52 Week High	31808.00	DEC - OCT	
52 Week Low	29435.00	4.00	

Gold recovered on short covering after prices seen under pressure as the dollar rose after comments from Fed Chairman that reaffirmed expectations more U.S. interest rate increases are on the way this year. The Fed raised rates in June and policymakers have indicated they expect two more increases this year. Powell said nothing in two days of congressional testimony this week to suggest otherwise. U.S. President Donald Trump told he is "not thrilled" about interest rate increases because they strengthened the dollar, making U.S. exports more expensive overseas. White House economic advisor Larry Kudlow said trade talks with China have paused for now, although discussions with the European Union have been more promising. Global trade tensions have not driven investors to purchase gold, traders said. Bullion is generally regarded as a safe and stable store of value during times of global uncertainty. Demand for gold is expected to rise during the second half of 2018, as inflation potentially rises and a global trade war may impact currencies, the World Gold Council said. Holdings of SPDR Gold Trust, the world's largest gold-backed exchange-traded fund, rose 0.52 percent to 798.13 tonnes on Thursday. European Union countries will suffer long-term damage equivalent to about 1.5 percent of annual economic output if Britain leaves the bloc without a free trade deal next year, the International Monetary Fund said. Technically market is under short covering as market has witnessed drop in open interest by -6.05% to settled at 6261 while prices up 119 rupees, now Gold is getting support at 29713 and below same could see a test of 29542 level, And resistance is now likely to be seen at 30000, a move above could see prices testing 30116.

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Gold Spot 995

Exch.	Descr.	Last*
CMDTY	Gold 995 - Ahmedabad	30670.00
CMDTY	Gold 995 - Bangalore	30655.00
CMDTY	Gold 995 - Chennai	30650.00
CMDTY	Gold 995 - Cochin	30655.00
CMDTY	Gold 995 - Delhi	30660.00
CMDTY	Gold 995 - Hyderabad	30650.00
CMDTY	Gold 995 - Jaipur	30665.00
CMDTY	Gold 995 - Kolkata	30700.00
CMDTY	Gold 995 - Mumbai	30650.00

* Rates including GST

Silver Spot 999

Exch.	Descr.	Last*
CMDTY	Silver 999 - Ahmedabad	38450.00
CMDTY	Silver 999 - Bangalore	38875.00
CMDTY	Silver 999 - Chennai	38880.00
CMDTY	Silver 999 - Delhi	38875.00
CMDTY	Silver 999 - Hyderabad	38975.00
CMDTY	Silver 999 - Jaipur	38890.00
CMDTY	Silver 999 - Kolkata	39000.00
CMDTY	Silver 999 - Mumbai	38900.00

* Rates including GST

Bullion Futures on DGCX

Exch.	Descr.	Last
DGCX	GOLD 27JUL2018	1217.70
DGCX	GOLD 26SEP2018	1222.50
DGCX	GOLD QUANTO 30JUL2018	29926.00
DGCX	GOLD QUANTO 27SEP2018	30150.00
DGCX	SILVER 29AUG2018	15.37
DGCX	SILVER 28NOV2018	15.37
DGCX	SILVER QUANTO 30AUG2018	40436.00
DGCX	SILVER QUANTO 29NOV2018	41189.00

Gold Spot 999

Exch.	Descr.	Last*
CMDTY	Gold 999 - Ahmedabad	30800.00
CMDTY	Gold 999 - Bangalore	30805.00
CMDTY	Gold 999 - Chennai	30800.00
CMDTY	Gold 999 - Cochin	30805.00
CMDTY	Gold 999 - Delhi	30810.00
CMDTY	Gold 999 - Hyderabad	30800.00
CMDTY	Gold 999 - Jaipur	30785.00
CMDTY	Gold 999 - Mumbai	30800.00

* Rates including GST

Bullion Futures on MCX

Exch.	Descr.	Last
MCX	GOLD 04AUG2017	29885.00
MCX	GOLD 05OCT2017	30144.00
MCX	GOLD 05DEC2017	30148.00
MCX	SILVER 05JUL2017	38294.00
MCX	SILVER 05SEP2017	39143.00
MCX	SILVER 05DEC2017	39832.00

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	79.83
MCX	MCX GOLD SILVER RATIO	78.04

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