



## IBJA Market Update

### Daily Market Update

Report as on Friday, May 25, 2018

# **Polled Premium/Discount for 995 gold in Ahmedabad -2.00 USD/troy oz on May 24, 2018.**

# Gold prices gained to settled above \$1300 per ounce against a falling US Dollar after "dovish" notes from the Federal Reserve's latest policy meeting. While the Fed's May meeting minutes showed a consensus for raising Dollar interest rates as expected in June, the Committee also suggested it would be comfortable watching inflation in US consumer prices rise above its 2.0% annual target for "a temporary period". Most notably, the Fed minutes said "it [is] premature to conclude" that inflation will hold at or above 2% after the cost of living has "persistently run below the Committee's objective."

# Is India's gold rush coming to an end? - Weak demand has shrunk the gold import bill; investors seem to prefer investment options other than the yellow metal. Five years ago, any sign of weakness in the Rupee would have been the cue for RBI officials, Ministers and sundry economic commentators to lash out at Indian households for their unreasonable and unpatriotic love for gold. And it is true that gold imports had a big role to play in India's yawning trade deficit and precarious balance of payments position in 2013.

# Italian political situation to weigh on Gold in short term only - Italy's political situation may pressure gold but in the short term only, as safe-haven buying could ultimately develop, said Metals Focus in a snippet. In Italy, the coalition formed between the Five Star Movement and The League resulted in some "radical proposals" that could "significantly impact" the country's fiscal deficit, Metals Focus added. Further, the parties have been in favor of a referendum on the country's participation in the euro. Italy's bond yields have climbed and there is a risk of a further downgrade to Italy's debt.

# Gold/Silver ratio narrows to 78 - The gold/silver ratio has narrowed slightly, meaning a modest outperformance by silver, according to Commerzbank. The gold/silver ratio has fallen to 78 because silver has resisted gold's downward pull of late, Commerzbank added. Silver is clearly finding support from the high base-metals prices at present; at \$16.50 per troy ounce, silver is trading in the middle of the corridor of \$16-\$17 in which it has found itself since early February and – unlike gold – well above its 2018 low.

# Precious metals not ready for the vault - Gold prices on the LME have been trending downward in May 2018, but panelists at the LME Asia Week 2018 Seminar, which took place in Hong Kong in mid-May, see reasons why the price may rebound by year-end. Interest in the stock market (in the U.S.) and the property market (in China and other parts of the world) has helped dampen some investors' interest in gold, according to Sunile Kashyap of the Bank of Nova Scotia. "I think there is more interest in other asset groups [so] money has been flowing out of gold."

Date	Gold*	Silver*
24 May 2018 (Thursday)	31415.00	40245.00
23 May 2018 (Wednesday)	31440.00	40300.00
22 May 2018 (Tuesday)	31250.00	40175.00

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

24 May 2018 (Thursday)

# IBJA Daily Market Update



**Outlook:** Gold prices remained supported as U.S. President Donald Trump's decision to call off a meeting with North Korean leader Kim Jong Un triggered safe-haven buying. For the day prices a drop towards 31380-31300 will look to buy with a stoploss of below 31180 expecting prices to jump towards 31500-31620 level.

Market View		Daily Levels	
Open	31258.00	<b>Resistance</b>	
High	31510.00	31848.00	
Low	31238.00	31679.00	
Close	31474.00	31576.00	
Value Change	291.00	31304.00	
% Change	0.93	31135.00	
Margin	5.00	31032.00	
Margin (Rs.)	157370	<b>Support</b>	
Volume	8914.00	<b>Spread</b>	
Open Interest	4748.00	<b>AUG - JUN</b>	
Cng in OI (%)	15.80	<b>OCT - AUG</b>	
Prev Value(Mln)	27967.01	278.00	
52 Week High	31620.00	82.00	
52 Week Low	28421.00		

Gold on MCX settled up 0.93% at 31474 as a weaker dollar and U.S.-China trade concerns continued to support demand for the safe haven precious metal. The dollar fell after the latest Federal Reserve meeting minutes hinted at a dovish approach to rate hikes later this year. The minutes indicated central bankers are happy to let inflation run above the 2% target for a "temporary period", signaling no rush to tighten monetary policy. Escalating friction between China and the U.S. on trade issues also served to increase appetite for the safe haven asset. U.S. President Donald Trump gave a bleak outlook on Wednesday, calling for a "different structure" in trade negotiations and suggesting that the current deal will be "too hard to get done". Euro zone growth could slow further and uncertainty is on the rise but the bloc's expansion remains solid and broad-based, European Central Bank policymakers concluded in April, the minutes of the meeting showed. Recently, the World Gold Council reported a 7% drop in global demand in the first quarter of 2018 to 973.5 tonnes, the lowest since the first quarter of 2008, as investments fell 27% on the precious metal to 287 tonnes from 383 tonnes in the first quarter of 2017. Central banks' gold demand rose 42% to 116.5 tonnes, especially from Russia, while jewelry demand steadied at 487.7 tonnes, as mine supplies grew 1% y/y to 770 thousand tonnes. Technically market is under fresh buying as market has witnessed gain in open interest by 15.8% to settled at 4748 while prices up 291 rupees, now Gold is getting support at 31304 and below same could see a test of 31135 level, And resistance is now likely to be seen at 31576, a move above could see prices testing 31679.

# IBJA Daily Market Update

## Gold Spot 995

Exch.	Descr.	Last*
CMDTY	Gold 995 - Ahmedabad	32135.00
CMDTY	Gold 995 - Bangalore	32160.00
CMDTY	Gold 995 - Chennai	32150.00
CMDTY	Gold 995 - Cochin	32150.00
CMDTY	Gold 995 - Delhi	32140.00
CMDTY	Gold 995 - Hyderabad	32155.00
CMDTY	Gold 995 - Jaipur	32130.00
CMDTY	Gold 995 - Kolkata	32225.00
CMDTY	Gold 995 - Mumbai	32135.00

\* Rates including GST

## Silver Spot 999

Exch.	Descr.	Last*
CMDTY	Silver 999 - Ahmedabad	41000.00
CMDTY	Silver 999 - Bangalore	41350.00
CMDTY	Silver 999 - Chennai	41365.00
CMDTY	Silver 999 - Delhi	41420.00
CMDTY	Silver 999 - Hyderabad	41380.00
CMDTY	Silver 999 - Jaipur	41380.00
CMDTY	Silver 999 - Kolkata	41550.00
CMDTY	Silver 999 - Mumbai	41425.00

\* Rates including GST

## Bullion Futures on DGCX

Exch.	Descr.	Last
DGCX	GOLD 29MAY2018	1302.00
DGCX	GOLD 27JUL2018	1310.00
DGCX	GOLD QUANTO 30MAY2018	31451.00
DGCX	GOLD QUANTO 30JUL2018	31727.00
DGCX	SILVER 27JUN2018	16.67
DGCX	SILVER 29AUG2018	16.73
DGCX	SILVER QUANTO 28JUN2018	40900.00
DGCX	SILVER QUANTO 30AUG2018	41474.00

## Gold Spot 999

Exch.	Descr.	Last*
CMDTY	Gold 999 - Ahmedabad	32285.00
CMDTY	Gold 999 - Bangalore	32310.00
CMDTY	Gold 999 - Chennai	32300.00
CMDTY	Gold 999 - Cochin	32300.00
CMDTY	Gold 999 - Delhi	32290.00
CMDTY	Gold 999 - Hyderabad	32305.00
CMDTY	Gold 999 - Jaipur	32250.00
CMDTY	Gold 999 - Mumbai	32285.00

\* Rates including GST

## Bullion Futures on MCX

Exch.	Descr.	Last
MCX	GOLD 04AUG2017	31474.00
MCX	GOLD 05OCT2017	31752.00
MCX	GOLD 05DEC2017	31834.00
MCX	SILVER 05JUL2017	40882.00
MCX	SILVER 05SEP2017	41456.00
MCX	SILVER 05DEC2017	42123.00

## 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	78.48
MCX	MCX GOLD SILVER RATIO	76.99

# IBJA Daily Market Update

Report is prepared for information purposes only.

## Kedia Stocks & Commodities Research Pvt Ltd.

Mumbai. INDIA. Mobile: 9320096333 / 9619551030 Email: [info@kediacommodity.com](mailto:info@kediacommodity.com) URL: [www.kediaadvisory.com](http://www.kediaadvisory.com)

**General Disclaimers:** This Report is prepared and distributed by Kedia Stocks & Commodities Research Pvt Ltd. for information purposes only. The recommendations, if any, made herein are expression of views and/or opinions and should not be deemed or construed to be neither advice for the purpose of purchase or sale through KSCRPL nor any solicitation or offering of any investment /trading opportuni. These information / opinions / views are not meant to serve as a professional investment guide for the readers. No action is solicited based upon the information provided herein. Recipients of this Report should rely on information/data arising out of their own investigations. Readers are advised to seek independent professional advice and arrive at an informed trading/investment decision before executing any trades or making any investments. This Report has been prepared on the basis of publicly available information, internally developed data and other sources believed by KSCRPL to be reliable. IBJA and KSCRPL or its directors, employees, affiliates or representatives do not assume any responsibility for, or warrant the accuracy, completeness, adequacy and reliability of such information / opinions / views. While due care has been taken to ensure that the disclosures and opinions given are fair and reasonable, none of the directors, employees, affiliates or representatives of IBJA and KSCRPL shall be liable for any direct, indirect, special, incidental, consequential, punitive or exemplary damages, including lost profits arising in any way whatsoever from the information / opinions / views contained in this Report. The possession, circulation and/or distribution of this Report may be restricted or regulated in certain jurisdictions by appropriate laws. No action has been or will be taken by KSCRPL in any jurisdiction (other than India), where any action for such purpose(s) is required. Accordingly, this Report shall not be possessed, circulated and/ or distributed in any such country or jurisdiction unless such action is in compliance with all applicable laws and regulations of such country or jurisdiction. KSCRPL requires such recipient to inform himself about and to observe any restrictions at his own expense, without any liability to KSCRPL. Any dispute arising out of this Report shall be subject to the exclusive jurisdiction of the Courts in India.