



**Daily Bullion Physical Market Report**

Report as on Tuesday, April 7, 2020

	<b>Important Resistance for MCX Gold Where Physical Player can look to fix his Sell Price</b>	<b>43948</b>  <b>44036</b>	<b>Important Support for MCX Gold Where Physical Player can look to fix his Buying Price</b>	<b>43496</b>  <b>43408</b>
	<b>Important Resistance for Rupee Where Exporter can look to book his today's receivable</b>	<b>76.93</b>  <b>77.52</b>	<b>Important Support for Rupee Where Importer can look to book his today's payment</b>	<b>76.34</b>  <b>75.75</b>

Gold Spot 995			Gold Spot 999		
Exch.	Descr.	LTP*	Exch.	Descr.	LTP*
CMDTY	Gold 995 - Ahmedabad	42280.00	CMDTY	Gold 999 - Ahmedabad	42410
CMDTY	Gold 995 - Bangalore	42200.00	CMDTY	Gold 999 - Bangalore	42350
CMDTY	Gold 995 - Chennai	42250.00	CMDTY	Gold 999 - Chennai	42400
CMDTY	Gold 995 - Cochin	42255.00	CMDTY	Gold 999 - Cochin	42405
CMDTY	Gold 995 - Delhi	42320.00	CMDTY	Gold 999 - Delhi	42470
CMDTY	Gold 995 - Hyderabad	42250.00	CMDTY	Gold 999 - Hyderabad	42400
CMDTY	Gold 995 - Jaipur	42295.00	CMDTY	Gold 999 - Jaipur	42415
CMDTY	Gold 995 - Mumbai	42280.00	CMDTY	Gold 999 - Mumbai	42430

\* Rates including GST

Silver Spot 999	
Descr.	LTP*
Silver 999 - Ahmedabad	38500.00
Silver 999 - Bangalore	38480.00
Silver 999 - Chennai	38450.00
Silver 999 - Delhi	38500.00
Silver 999 - Hyderabad	38520.00
Silver 999 - Jaipur	38490.00
Silver 999 - Kolkata	39200.00
Silver 999 - Mumbai	38510.00

\* Rates including GST

Gold Ratios
Gold Silver Ratio
106.06

Gold Crude Ratio
21.35

Bullion Futures on DGCX		
Exch.	Descr.	LTP
DGCX	GOLD 27MAY2020	1709.80
DGCX	GOLD QUANTO 28MAY2020	43050.00
DGCX	SILVER 28APR2020	15.24

Gold and Silver Fix		
Descr.	LTP	
Gold London AM FIX	1636.6	
Gold London PM FIX	1648.3	
Silver London FIX	14.38	

Date	Gold*	Silver*
<b>03 Apr 2020 (Friday)</b>	43936.00	40310.00
<b>01 Apr 2020 (Wednesday)</b>	43474.00	39250.00
<b>31 Mar 2020 (Tuesday)</b>	43173.00	39200.00

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

01 Apr 2020 (Wednesday)

### Gold Market Update



Market View	
Open	43500.00
High	43870.00
Low	43500.00
Close	43722.00
Value Change	482.00
% Change	1.11
Aug-Jun	164.00
Oct-Aug	164.00
Volume	4050
Open Interest	16812
Cng in OI (%)	0.94

BUY GOLD JUN 2020 @ 43700 SL 43500 TGT 44000-44350.MCX

**Today's View & Outlook**

Gold price succeeded to breach 1599.10 level to open the way to head towards our next waited station at 1633.60, to keep the bullish trend scenario valid and active in the upcoming period, supported by moving above the EMA50, noting that holding above 1571.20 represents the most important condition to continue the expected rise.

Gold yesterday settled up by 1.11% at 43722 as record high U.S. jobless claims for a second week in a row intensified fears of economic damage due to the coronavirus and drove investors towards the safe-haven metal. The number of Americans filing claims for unemployment benefits last week shot to a record high of 6.65 million, as more jurisdictions enforced stay-at-home measures to curb the coronavirus. Indicative of sentiment, holdings in the world's largest gold-backed exchange-traded fund, SPDR Gold Trust, rose 0.18% to 968.75 tonnes on Wednesday, their highest since October 2016. The Trump administration said it was allocating \$25 billion in emergency funding grants to public transportation systems facing a massive falloff in demand due to the coronavirus pandemic. The U.S. Federal Transit Administration (FTA) funds, including \$5.4 billion for the New York City area, were approved by Congress last week and transit systems should start receiving payments in the coming weeks. Developing Asia's already-slumping growth is set to weaken sharply this year, hit by the fallout from the coronavirus pandemic before it bounces back strongly next year, the Asian Development Bank (ADB) said. The Manila-based lender said its baseline forecast called for growth in developing Asia, a group of 45 economies that includes China and India, to slow to 2.2% in 2020 from a previous forecast of 5.2%, matching last year. Technically market is under fresh buying as market has witnessed gain in open interest by 0.94% to settled at 16812 while prices up 482 rupees, now Gold is getting support at 43524 and below same could see a test of 43327 levels, and resistance is now likely to be seen at 43894, a move above could see prices testing 44067.

### Silver Market Update



Market View	
Open	40955.00
High	41383.00
Low	40820.00
Close	41223.00
Value Change	1351.00
% Change	3.39
Jul-May	128.00
Sep-Jul	136.00
Volume	7099
Open Interest	3750
Cng in OI (%)	-6.11

BUY SILVER MAY 2020 @ 41250 SL 40800 TGT 41750-42250.MCX

**Today's View & Outlook**

Silver price shows positive trades and attempts to breach 14.17 level, which urges caution from the upcoming trading, as breaching this level will stop the recently suggested negative scenario and leads the price to resume the correctional bullish track that its next target located at 15.08. The expected trading range for today is between 13.50 support and 14.30 resistance.

Silver yesterday settled up by 3.39% at 41223 as investors turned to the safe haven after U.S. jobless claims hit record highs for a second-straight week amid the coronavirus epidemic and its debilitating impact on the world's top economy. The global silver market will be undersupplied for a third year in 2020 as investors are lured by decade-low prices, offsetting expected falls in its use by jewellers and industry. "The COVID-19 virus continues to impact the number of initial claims," the Labor Department said in its weekly claims report. The U.S. economy will likely experience a "severe contraction" in the second quarter and continue to shrink some at the start the third quarter, Dallas Fed President Robert Kaplan said, and that it was unclear how fast it would rebound. "Clearly the consumer is going to come out of this weakened," Kaplan said in an interview. U.S. unemployment, he said, will probably leap to the low or mid teens, from 3.5% in February, and while it should drop to around 8% by year's end, "it will take us a while to work that off." The United States economy will shrink 5.5% in 2020, the steepest drop since 1946, with a huge 38% contraction predicted for the second quarter. The U.S. bank said it had cut its first-quarter forecast to an annualised 3.4% contraction from a previous 2.4%. Technically market is under short covering as market has witnessed drop in open interest by -6.11% to settled at 3750 while prices up 1351 rupees, now Silver is getting support at 40901 and below same could see a test of 40579 levels, and resistance is now likely to be seen at 41464, a move above could see prices testing 41705.

USDINR Update



Market View	
Open	76.2025
High	76.7975
Low	76.2025
Close	76.7000
Value Change	0.8825
% Change	1.16
May-Apr	0.29
Jun-May	0.22
Volume	2802888
Open Interest	4332758
Cng in OI (%)	9.52

BUY USDINR APR 2020 @ 76.60 SL 76.30 TGT 76.90-77.15. NSE

Today's View & Outlook

Rupee dropped as the dollar rose boosted by a surge in the oil price and as investors sought safety amid the worsening economic fallout from the coronavirus pandemic.

USDINR yesterday settled up by 1.16% at 76.7 after the Reserve Bank of India (RBI) announced a new category for foreign investors, while hopes of a reduction in April's borrowing or cancellation ahead of the first-half borrowing plan aided sentiment. The RBI said it was introducing a new category called the "fully accessible route" for foreign investors, in line with the budget announcement earlier this year. Investors can buy all fresh issuance of 5-, 10- and 30-year bonds starting April 1 under this category, while five existing papers will also become eligible to be held under this, the RBI said. India may slash or even cancel its planned borrowings from the market for April amid a nationwide lockdown prompted by the coronavirus outbreak. The official also said the government would likely take a month-by-month view on borrowing for the time being, unlike its normal practice of a six-month borrowing calendar. If new issuances were pulled it would be the first time in decades that the government had taken such a step in the first month of the new fiscal year, as it depends heavily on such borrowing for paying out maturing bonds. The government's bond redemption for the month of April stands at 350 billion rupees, while, going by average issuance of 150 billion rupees a week, the government could potentially sell bonds worth 600 billion rupees in April. The Financial Benchmark India Private Ltd (FBIL) set the reference rate for the rupee/dollar at 75.8276. Technically market is under fresh buying as market has witnessed gain in open interest by 9.52% to settled at while prices up 0.8825 rupees, now USDINR is getting support at 76.34 and below same could see a test of 75.98 levels, and resistance is now likely to be seen at 76.93, a move above could see prices testing 77.16.

## Bullion News

# Gold prices jumped as record high U.S. jobless claims for a second week in a row intensified fears of economic damage due to the coronavirus and drove investors towards the safe-haven metal. The number of Americans filing claims for unemployment benefits last week shot to a record high of 6.65 million, as more jurisdictions enforced stay-at-home measures to curb the coronavirus. Indicative of sentiment, holdings in SPDR Gold Trust, rose 0.18% to 968.75 tonnes on Wednesday, their highest since October 2016.

# Gold import lowest in 10 years, March saw huge plunge - Gold imports took a sharp hit in FY20 following a series of developments -- the latest being the coronavirus pandemic -- which, on the other hand, pushed the price of the precious metal to record highs. The import is estimated at 559.6 tonnes for the financial year. It is believed to be the lowest in at least a decade. In FY19, the gold import stood at 775.4 tonnes. Except for the June quarter, demand remained usually muted. Since July 5, when the Modi-2 government presented its first Budget and imposed a 12.5 per cent import duty on gold, demand took a plunge, even as the price of the metal continued to jump over geopolitical uncertainties and the trade war. September was one of the worst quarters in terms of gold demand in India when demand fell to only 83.6 tonnes. The March quarter is expected to be no different, with an estimated demand of only 120 tonnes.

# Central banks demand creeps higher in February - In February, central banks bought a net 36 tonnes (t) of gold, almost a third higher than January's net purchases, but 52% lower y-o-y. This brings y-t-d net purchases to 64.5t, 44% lower than the 116.1t of net purchases over the first two months of 2019. Breaking down February's net total into its component gross purchases (39.1t) and sales (3.1t) shows that purchases remain healthy and sales remain low. Of the central banks which have reported their gold reserves at the end of February, Turkey (24.8t), Russia (10.9t), Kazakhstan (1.8t) and Qatar (1.6t) were the only noteworthy buyers during the month. Meanwhile, Uzbekistan (3.1t) was the only significant seller. Year-to-date, a total of five central banks have increased gold reserves by at least a tonne compared with eight over the first two months of 2019.

# China's gold demand drops as buyers stay away amid coronavirus-led shutdown - The nation-wide shutdown in China due to the coronavirus outbreak shunned the gold buyers away from the malls, freezing the domestic bullion market. The market's struggles in China may present a headwind for prices, which last month topped \$1,700 an ounce for the first time in seven years. Last year, Chinese consumers accounted for about a fifth of total gold demand of 4,356 tons, according to the World Gold Council (WGC). China's retail sales of gold, silver and jewelry plunged 41% in the first two months of the year. Zhang Yongtao, chief executive officer of the China Gold Association, said: "Domestic demand for gold will recover very slowly. Even after processors resume production, one major issue is that there are no orders."

# Russia's Central Bank Stops Buying Gold As The Low Oil Price Bites - Russia's heavy reliance on oil to balance its budget could lie behind a sudden shift by the country's central bank from buying locally mined gold to encouraging miners to export what they can. The surprise move sent a shudder through the gold market, triggering a \$40 fall in the price which dived back below \$1600 an ounce. Russia's central bank had been soaking up a large portion of the country's gold production, spending an estimated \$40 billion over the last five years to amass a stockpile of 2279.2 ton of the metal, the 6th biggest holding in the world, behind France (2436 tons) and Italy (2451.8 tons) — but well behind the U.S. with its 8133.5 tons. While most central banks own some gold it has been Russia's buying which has stood out with the urge to acquire gold seen as a way of cutting the country's exposure to the U.S. dollar in its official reserves.

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