

KEDIA ADVISORY

Daily Bullion Physical Market Report

Report as on Thursday, June 4, 2020



Important Resistance for MCX Gold Where Physical Player can look to fix his Sell Price

46648

46894

Important Support for MCX Gold Where Physical Player can look to fix his Buying Price

45368

45122



Important Resistance for Rupee Where Exporter can look to book his today's receivable

75.87

76.40

Important Support for Rupee Where Importer can look to book his today's payment

75.34

74.81

Gold Spot 995

Exch.	Descr.	LTP*
CMDTY	Gold 995 - Ahmedabad	48165.00
CMDTY	Gold 995 - Bangalore	48150.00
CMDTY	Gold 995 - Chennai	48175.00
CMDTY	Gold 995 - Cochin	48180.00
CMDTY	Gold 995 - Delhi	48090.00
CMDTY	Gold 995 - Hyderabad	42250.00
CMDTY	Gold 995 - Jaipur	42295.00
CMDTY	Gold 995 - Mumbai	48200.00

* Rates including GST

Gold Spot 999

Exch.	Descr.	LTP*
CMDTY	Gold 999 - Ahmedabad	48295
CMDTY	Gold 999 - Bangalore	48300
CMDTY	Gold 999 - Chennai	48325
CMDTY	Gold 999 - Cochin	48330
CMDTY	Gold 999 - Delhi	48240
CMDTY	Gold 999 - Hyderabad	42400
CMDTY	Gold 999 - Jaipur	42415
CMDTY	Gold 999 - Mumbai	48350

Silver Spot 999

Descr.	LTP*
Silver 999 - Ahmedabad	49475.00
Silver 999 - Bangalore	49510.00
Silver 999 - Chennai	49525.00
Silver 999 - Delhi	49500.00
Silver 999 - Hyderabad	38520.00
Silver 999 - Jaipur	38490.00
Silver 999 - Kolkata	49620.00
Silver 999 - Mumbai	49525.00

* Rates including GST

Gold Ratios

Gold Silver Ratio

94.95

Gold Crude Ratio

16.55

Bullion Futures on DGCX

Exch.	Descr.	LTP
DGCX	GOLD 29JUL2020	1700.10
DGCX	GOLD QUANTO 30JUL2020	46578.00
DGCX	SILVER 26JUN2020	17.68

Gold and Silver Fix

Descr.	LTP
Gold London AM FIX	1740.25
Gold London PM FIX	1705.35
Silver London FIX	18.27

Date

Gold*

Silver*

03 Jun 2020 (Wednesday)

46845.00

48295.00

02 Jun 2020 (Tuesday)

47075.00

49540.00

01 Jun 2020 (Monday)

47043.00

49330.00

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

03 Jun 2020 (Wednesday)

Price Performance

Gold MCX

Silver MCX

USDINR

Period	Performance %	Period	Performance %	Period	Performance %
1 Week	1.22	1 Week	5.85	1 Week	-0.73
1 Month	3.01	1 Month	15.74	1 Month	-0.76
3 Month	9.74	3 Month	8.15	3 Month	4.72
6 Month	19.01	6 Month	11.48	6 Month	4.58
1 Year	32.26	1 Year	27.56	1 Year	7.00

Gold Market Update



Market View	
Open	46468.00
High	46718.00
Low	45673.00
Close	46008.00
Value Change	-550.00
% Change	-1.18
Oct-Aug	126.00
Dec-Oct	-307.00
Volume	12489
Open Interest	14453
Cng in OI (%)	-1.68

SELL GOLD AUG 2020 @ 46400 SL 46750 TGT 46050-45650.MCX

Today's View & Outlook

Gold price faced additional negative pressure to break 1719.00 level and test the key support 1691.10 and settles there now, waiting for positive motive that assists to push the price to resume the main bullish trend, which its first main target located at 1764.00, noting that breaking 1691.10 will put the price under more negative pressure to open the way for potential visit to 1646.00 areas on the near term basis.

Gold yesterday settled down by -1.18% at 46008 as stocks jumped on hopes for further stimulus and optimism about an economic recovery, dampening demand for the safe-haven metal. Bank on Thursday and hope that it will deliver additional stimulus, by around 500 billion euros. Meanwhile, the dollar index fell to a more than two-month low, and demonstrations continued against police brutality in the United States, providing some support to the metal. Reducing the appeal of gold, global shares vaulted to a near three-month high amid signs of a recovery in business activity as governments restart their economies. Governments and central banks around the globe have unleashed unprecedented fiscal and monetary stimulus for their economies floored by the coronavirus pandemic. Investors now await a meeting of the European Central Holdings of SPDR Gold Trust, the world's largest gold-backed exchange-traded fund, rose for the sixth straight session on Tuesday. Asian physical gold hubs struggled to regain footing this week as most retail customers stayed away even as some coronavirus restrictions were eased. Chinese dealers sold gold at discounts of \$14-\$18 an ounce versus benchmark prices, compared to last week's \$15-\$20 discounts, with traders attributing the dip to a depreciation in the yuan. Technically market is under long liquidation as market has witnessed drop in open interest by -1.68% to settled at 14453 while prices down -550 rupees, now Gold is getting support at 45548 and below same could see a test of 45088 levels, and resistance is now likely to be seen at 46593, a move above could see prices testing 47178.

Silver Market Update



Market View	
Open	48904.00
High	49435.00
Low	47730.00
Close	48454.00
Value Change	-626.00
% Change	-1.28
Sep-Jul	831.00
Dec-Sep	1200.00
Volume	35995
Open Interest	10884
Cng in OI (%)	

SELL SILVER JUL 2020 @ 48850 SL 49400 TGT 48150-47850.MCX

Today's View & Outlook

Silver price attempts to break 17.77 level now, while the EMA50 attempts to protect the recently suggested positive scenario, supported by stochastic reach to the oversold areas now, waiting to motivate the price to resume the bullish trend that its next main target located at 18.93, reminding you that holding below 17.77 will push the price to provide more negative trades and head towards 17.10 before rising again.

Silver yesterday settled down by -1.28% at 48454 as riskier assets such as equities rose, with traders betting on hopes the reopening of businesses will help boost an economic recovery. Profit taking after recent gains also contributed to the precious metal's fall for a second successive session. However, growing unrest in several states across America due to protests over the killing of an unarmed person by the police and rising concerns about U.S.-China tensions limited slide. As businesses begin to reopen gradually, traders expect an economic recovery will pick-up steam and result in improved revenues for corporate houses. On U.S.-China front, Chinese state-owned companies have reportedly been ordered to pause purchase of U.S. farm goods, including soybeans. Meanwhile, U.S. President Donald Trump threatened to deploy the military to quell civil unrest erupting across the nation over George Floyd's death. U.S. data showed that U.S. private payrolls fell less than expected in May, suggesting layoffs were abating as businesses reopen, though the overall economy's recovery from the COVID-19 pandemic will be slow. U.S. services industry activity also pushed off an 11-year low in May, though businesses appeared in no rush to rehire workers as they reopen. Investors are focused on whether the European Central Bank will increase the size of its 750 billion euro (\$669 billion) Pandemic Emergency Purchase Programme (PEPP) when it meets on Thursday. Technically market is under fresh selling as market has witnessed gain in open interest by % to settled at 10884 while prices down -626 rupees, now Silver is getting support at 47645 and below same could see a test of 46835 levels, and resistance is now likely to be seen at 49350, a move above could see prices testing 50245.

USDINR Update



Market View	
Open	75.3500
High	75.7100
Low	75.1825
Close	75.6875
Value Change	0.3600
% Change	0.48
Jul-Jun	0.21
Aug-Jul	0.22
Volume	2699839
Open Interest	1710851
Cng in OI (%)	9.53

BUY USDINR JUN 2020 @ 75.55 SL 75.40 TGT 75.75-75.90. NSE

Today's View & Outlook

Rupee ended with losses on profit booking after prices gained as the economy re-emerges from coronavirus lockdowns and risk appetite picks up in global markets., technically market is under fresh buying as market has witnessed gain in open interest while prices up 0.36 rupees, now USDINR is getting support at 75.29 and below same could see a test of 74.9725 level, and resistance is now likely to be seen at 75.8175, a move above could see prices testing 76.0275.

USDINR yesterday settled up by 0.48% at 75.6875 on profit booking after prices gained as the economy re-emerges from coronavirus lockdowns and risk appetite picks up in global markets. The dollar fell for the sixth day running as easing lockdowns and hopes for more monetary stimulus gave investors' confidence. India's enormous services industry endured another month of devastating contraction in May as the coronavirus brought activity to a near halt, causing steep job losses and cementing fears of a deep recession, a survey showed. Although the Nikkei/IHS Markit Services Purchasing Managers' Index crawled up to 12.6 in May from April's all time low of 5.4 it remained a long way from the 50-mark separating growth from contraction. It was just below 50 in March. The last time it contracted for three consecutive months was from November 2016 following the ban of high-value currency notes, which severely hurt consumption. India's factory activity contracted sharply in May following a historic decline in April as a government-imposed lockdown to control the coronavirus hammered demand, a survey showed, leading firms to cut jobs at the fastest pace on record. Asia's third-largest economy will contract this quarter for the first time since the mid-1990s, having expanded 3.1% last quarter, its weakest annual pace in at least eight years. The Nikkei Manufacturing Purchasing Managers' Index, compiled by IHS Markit, increased to 30.8 last month from April's record low of 27.4. The Financial Benchmark India Private Ltd (FBIL) set the reference rate for the rupee/dollar at 75.326 Technically market is under fresh buying as market has witnessed gain in open interest by 9.53% to settled at while prices up 0.36 rupees, now USDINR is getting support at 75.34 and below same could see a test of 75 levels, and resistance is now likely to be seen at 75.87, a move above could see prices testing 76.06.

Bullion News

Gold fell as stocks jumped on hopes for further stimulus and optimism about an economic recovery, dampening demand for the safe-haven metal. Meanwhile, the dollar index fell to a more than two-month low, and demonstrations continued against police brutality in the United States, providing some support to prices.

Asia Gold Top hubs struggle as customers continue to keep away - Asian physical gold hubs struggled to regain footing as most retail customers stayed away even as some coronavirus restrictions were eased. Chinese dealers sold gold at discounts of \$14-\$18 an ounce versus benchmark prices, compared to last week's \$15-\$20 discounts, with traders attributing the dip to a depreciation in the yuan. In Hong Kong, which has been reeling from protests over a national security legislation being introduced by China, premiums were unchanged at \$0.50-\$1.75 per ounce. India too saw subdued activity amid high local rates while most jewellery shops remained shuttered due to the coronavirus lockdown. Demand is just 20% compared to normal as most weddings have been postponed. In thin trade, dealers offered discounts of up to \$25 an ounce over official domestic prices, which include a 12.5% import and 3% sales taxes.

Gold Speculators Dropped Bullish Bets To 48-Week Low - Large precious metals speculators cut back on their bullish net positions in the Gold futures markets this week, according to the latest Commitment of Traders (COT) data released by the Commodity Futures Trading Commission (CFTC). The non-commercial futures contracts of Gold futures, traded by large speculators and hedge funds, totaled a net position of 237,914 contracts in the data reported through Tuesday, May 26th. This was a weekly decline of -13,874 net contracts from the previous week which had a total of 251,788 net contracts. Gold speculators continued to decrease their bullish bets in the futures market to a 48-week low-point. Bullish bets have fallen in three out of the past four weeks and for the tenth time in the past fourteen weeks. The current level is now at the least bullish level since June 25th of 2019.

Sales of United States Mint bullion gold and silver coins slowed for a second month in a row - American Eagle gold coins moved up by 11,500 ounces in May, down 89.1% from the 105,000 ounces sold in April but 187.5% higher than the 4,000 ounces sold in May 2019. Year to date, American Gold Eagle sales at 335,000 ounces are 222.1% higher than the 104,000 ounces sold during the first five months of last year. American Eagle silver coins climbed by 490,000 ounces in May, representing declines of 34.7% from April sales of 750,000 ounces and 43.4% from the 866,000 ounces sold in May 2019. American Silver Eagle sales for the year so far at 11,218,500 coins are 24.8% higher than the 8,987,000 coins sold through the same time last year.

Gold ETFs See Strong Inflows Despite Weak Chinese, Indian Demand - The capital into gold exchange-traded funds (ETFs) is flowing and still going. Strong flows into gold ETFs are helping to offset weaker demand in China and India. According to the article, "data from Hong Kong's Census and Statistics Department showed that China exported more gold to Hong Kong (14.5 metric tons) last month than it imported from there (4.2 tons). Thus, Chinese gold imports from Hong Kong were negative for the first time since records began in 2007." China's imports during the first four months of 2020 are down 89%, while gold demand in India isn't any better.

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Note:

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