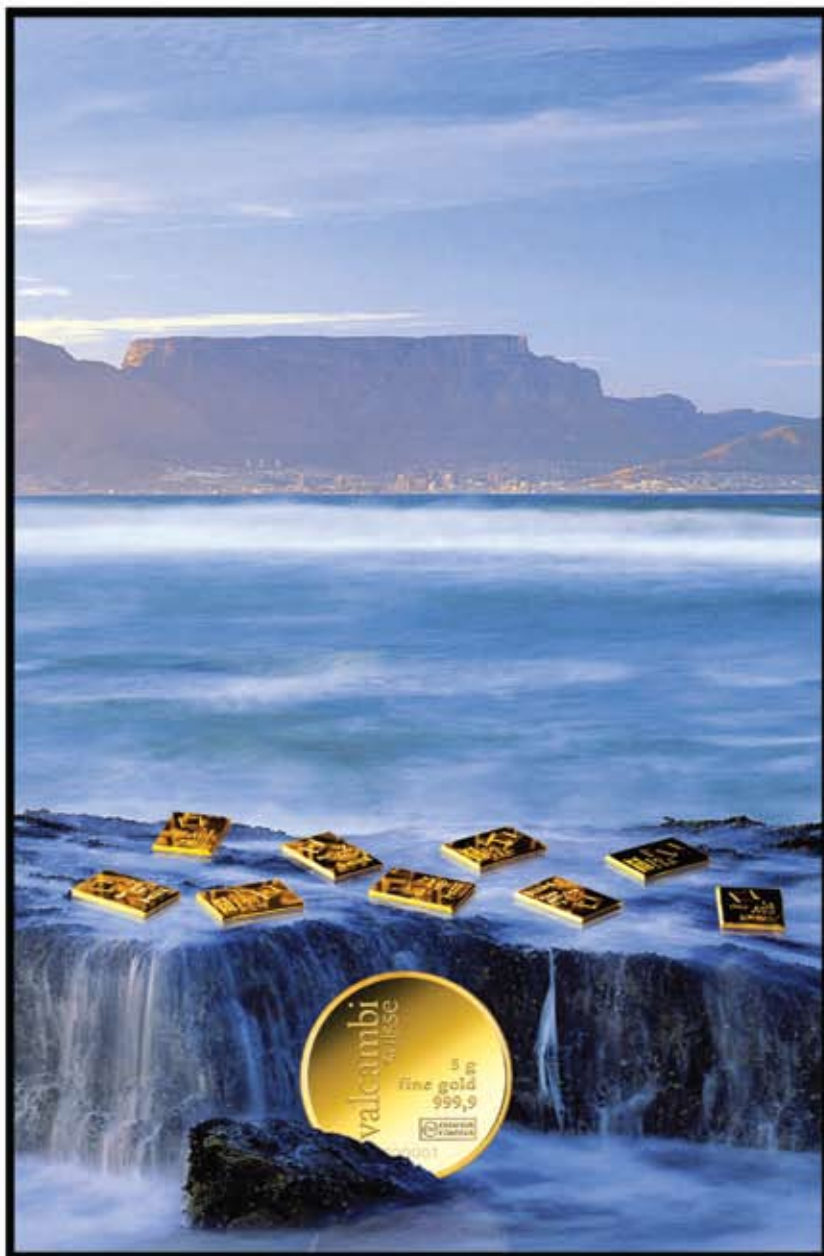


Bullion Bulletin

Information Insights for Bullion Business



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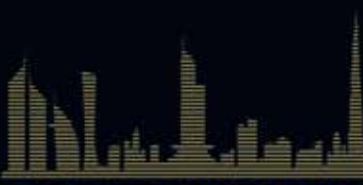
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Dear Readers,

My colleague Debajit and I had the privilege of taking part in a workshop at IIMB on the subject, "Gold and its relevance to India", thanks to invitation from Prof. Charan Singh, RBI Chair at IIMB. Key takeaways are presented below.



Mr. Rajesh Khosla of MMTC-PAMP acknowledged the compulsions that lead government of India to take the decisions as needed in 2013. However, he sought clarity on policies for 2014 and beyond. Also, he pleaded that government should distinguish 'manufacturing' (of which refining is a part) from 'services' in its policies as 'manufacturing' creates employment. Mr. Bhaskar Bhat of Tanishq expressed that the current policy has affected two important constituents, namely, employees and consumers. In a scenario where it is cheaper to import jewellery than making it in India, craftsmen suffer and employment opportunities disappear. Indian jewellery sector employs over 2 million artisans. Lastly, he felt that policies that favour exports should also support domestic businesses as over 90% of jewellery manufactured is for domestic market sale. Mr. Amresh Acharya of WGC pleaded that the regulator should adopt an inclusive and tax-friendly approach while implementing schemes such as Gold Deposit Scheme, which have huge potential of removing supply-side constraints. Mr. Vivek Paul quoted from his book "Easy Money" and said people's faith in paper currency is weak and the demand for gold would sustain. He also felt that in the current form inflation indexed bond are highly complex to understand and hence retail investors would stay away. Delivering his personal view on the subject Dr. K C Chakraborty, Deputy Governor, RBI said that India as a country cannot afford to spend dollars on importing gold as it does not have surplus. Therefore, India needs to look at measures that result in gold supplies without outflow of foreign exchange. This may be in the form of GDS or such other schemes to meet physical demand or inflation-indexed bonds to address investment demand etc. Also, we need to educate the next generation to move away from gold or be open to using low caratage gold ornaments. "Although smuggling is a serious issue to be tackled, it cannot justify freeing gold imports, at least for now, when we do not have dollars to pay with" opined Dr. Chakraborty. As a concluding remark, Prof Charan Singh felt that letting Indian rupee to find its natural equilibrium (which according to him is around 72 rupees to a US dollar) could indirectly address many issues including CAD as well as gold imports.

Meanwhile, the best analysts from around the world have expressed their opinion in their LBMA forecast for 2014 predicting lower volatility and stable markets. We have brought out some more views and forecasts in the inside pages for you. As we wait for Indian government's next policy move on gold, we wish you a very good luck going forward.

Thank you and good luck.

G Srivatsava, President



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Heraeus

Precious Metals Forecast H1 2014

EUR/USD Ø Jan - June:
1.3200 High: 1.3900 Low:
1.2750 Target: 1.3000

EUR/USD strengthened more than expected in 2013. Primary reasons behind this were the hesitant behaviour of the FED with its monetary policy and the EU-crisis getting pushed to the background. We do not expect a US-Dollar rally on account of the Tapering which has now been set in motion; the time-factor of it is all but certain. To the contrary: in each FED meeting the possibility of a gradual reduction of the Quantitative Easing programme is discussed and decided afresh. According to market consensus the US-interest rate is expected to stay at current low (0-0.25%) levels well in to next year. This is also likely to apply to the EUR interest rates (0.25%). As

such the USD will not benefit from any interest differential. Still, the FED has taken the extraordinary steps by starting the Tapering, whereas the ECB continues to contemplate further measures and potentially the EU-crisis could start boiling again; this could benefit to the USD. Furthermore US GDP growth in Q3 2013 was 4.1%, the EU a meagre 0.1%. We expect the EUR to be tendentially weaker during the course of 2014. Strong support for the currency is at 1,2750, the low of 2013 which has been tested more often than once. Upwards there is little room beyond 1,3900.

First and foremost the start of the Tapering in January 2014 is the first step towards containment of the cheap-money policy. With it a strong driver for bull-trends in the past years is being withdrawn.

Gold

Jan - June: 1,290 \$/oz High: 1,390 \$/oz Low: 1,175 \$/oz

The environment surrounding gold in 2013 changed decidedly and the metal started the New Year under new conditions. Once the factors that have been influencing the metal for the past decade started to fade, rather fall-away, for the first time in twelve years gold finds itself in a downtrend.

First and foremost the start of the Tapering in January 2014 is the first step towards containment of the cheap-money policy. With it a strong driver for bull-trends in the



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past years is being withdrawn. The discussion about further reductions in these monetary measures is going to continue to be with us for a while. Even with the currently reduced bond-buying of 75 billion US-Dollar per month, the Quantitative Easing Programme in the USA continues to be enormous and the scope for reductions substantial. However with Janet Yellen at the head of the FED, decision-makers will continue to have to contend with another proponent of the QE measures.

During the course of the long-drawn and at times contradictory discussions about the timing of a Tapering, a larger part of the effect was already priced in by the market. Nevertheless economic data from the USA will continue to stay in the focus. A sustainably recovering US economy will benefit the US-Dollar – and this will add more pressure on gold. That not all problems are on their way to getting better, let alone solved, is reflected in the discussions about the US deficit. The budget problem and the related debt -ceiling, even with the consensus in the Congress, have not yet been lastingly solved. The US Senate is still to decide and could deflate the tentative euphoria.

In such an environment yield-driven investors may not change their critical view on gold. As such further Gold-ETF outflows are likely – though we expect these

to be lower in volume than in the previous year. The need for gold as a “safe haven” is for some time now no longer prevailing; besides the positive signs of improvement in the US economy, the EU-crisis nations are also putting their saving-plans into action and the acute crisis-fear has somewhat abated. The apprehension about inflation as a consequence of excessive money supply has also proved to be untrue and has weakened as a driver for the metal. The prevailing risk-aversion of the past years has recently been replaced by rekindled interest in risk-richer assets classes like equities.

Should this euphoria get dampened – after all equities are at their highest levels – one or the other could find their way back to the precious metals. Investors in physical precious metals continue to remain as buyers and are making use of the opportunity presented by lower prices. This however has not been enough to compensate for the ETF outflows and provide enough support for a trend-change.

Last year China, with its record demand for gold, provided some balance to the ETF outflows. With this gold changed from weaker to stronger hands. As such physical

demand from China in 2013 played a decisive role in supporting gold. We do not expect this to continue at similar, high levels, in 2014, even though China will continue to remain an important pillar of support for demand. We continue to see China as the number one consumer, ahead of India. Should import duties in India, against expectations, get reduced, one can expect some catching-up on demand.

Central banks were again net buyers, though not as strongly as previous year. We expect this trend to continue in 2014. The potential of a stronger US-Dollar and the global economy support this.

On the supply side we do not see any change in the mood in the recycling sector. Increased interest in selling scrap (old) gold will more likely be triggered again only by higher prices. Only then do we again see potential – after all, the sharp decline in scrap-gold volumes came simultaneously to the price-correction in April 2013 and not due to increased stocks. The reduced supply from recycling had an effect on physical availability of 999.9 gold and impacted premiums accordingly. Primary production is expected to grow slightly. Among

Analogue to gold, the start of the QE Tapering in the USA and its effect on the “safe haven” aspect is not going to go unnoticed by silver. However with economy growing positively, the effect here should be tendentially milder.

others, high prices in the past years prompted investments into new explorations. In view of the downward trend, already last year a few mines hedged – to a limited extent – their future production through forward sales. We do not expect a sustained effect from the development.

After gold repeatedly defended the 1,200 \$/oz mark, for the moment it appears a floor has built around this level. However, for reasons mentioned earlier, we expect further temporary setbacks to 1,175 \$/oz in the first half of this year. On the upside we see medium-term potential for price-rises. 1,390 \$/oz is our expectation of the upper-limit for the first six months of 2014.

Silver

Ø Jan - June: 19.50 \$/oz High: 23 \$/oz Low: 17 \$/oz

With the worst result in over 30 years (-35%), silver continues to find itself under pressure at the start of the New Year. However we see some factors that could give support to the metal in the medium-term and help it reach higher levels.

To begin with, the economic recovery in the USA means that silver as an industrial metal could attract more demand. Also, new and diverse applications with silver-components in nano-technology and in the electronic industry in the coming years will provide further support.

Additionally, a recovery in the photo-voltaic sector could assist in stabilising the price. This sector benefits from the lower price levels, which reduce the pressure on silver-substitution and on the need to reduce the silver content in pastes. Beside the industrial demand, the small-investors stay faithful to the metal: we expect stable sales of silver coins, which will of course also benefit from the lower prices. And investment demand from India is not to be disregarded. Since import of gold has become considerably more expensive on account of the new restrictions and duties, a part of the traditional demand for gold has been substituted by silver. Under the present circumstances this trend could continue or even get stronger.

On the other hand, hitherto interest of institutional investors and ETF holders brings with it dangers: their appetite appears – after the silver-backed exchange traded investments funds reached an absolute record high in 2013 – to be satisfied for the moment. As such it is unlikely that ETF demand will continue to stay at this level. More likely, as in the case of gold, a flight out of this assets class could develop. A possible liquidation of these positions of course gives reason for concern and this would structurally change the silver supply-excess by further exaggerating it. After all in 2013 the excess of ca. 6,000 tonnes was reduced by a good 1,000 tonnes by the ETFs.

Analogue to gold, the start of the QE Tapering in the USA and its effect on the “safe haven” aspect is not going to go unnoticed by silver. However with economy growing positively, the effect here should be tendentially milder. Under the mentioned environment we see silver tending to be weaker. The downtrend does not seem to be over, though we feel that the larger correction phase is behind us. We think the metal could test a low of 18.21 \$/oz in the first half of 2014. Should it break below this, then a continuation of the correction to 17.00 \$/oz is possible. We see resistance at 23.00 \$/oz.

One has to keep in mind that the sentiment could change very quickly, should the Tapering pause or the Euro-crisis and discussions around the US budget heat up again. Additionally Silver would profit from a new flight into metals.

Platinum

Ø Jan - June: 1,450 \$/oz High: 1,650 \$/oz Low: 1,300 \$/oz

There are three essential criteria that influenced the platinum price in 2013 and will continue to do so in 2014. To start with, the situation in South Africa: the world's largest platinum producer, Anglo American Platinum, plans to shed 3,300 employees, which goes along with reduced production. In contrast to the bloody strikes in 2012, the situation has now somewhat eased. Accordingly a sustainable increase

in the price of platinum – pushed up due to continual strikes – is rather unlikely. At least some support to platinum will be provided by the power-price increase by state owned Eskom. Of late, due to maintenance work, Eskom has requested larger industries, which included the platinum miners, to curb their demand.

Another important criterion is industrial demand. Platinum as a catalyst is used mainly as an auto-catalysts in diesel-driven automobiles, primarily in Europe. Demand from the automobile sector alone accounts for 40% of total demand. Admittedly automobile sales in Europe were weak in 2013, however a recovery is expected in 2014. Platinum demand will also be increased due to the stricter emission-regulations like EURO VI or TIER 4 that will come into effect. Furthermore demand from the electronic, chemical and glass industry is developing positively. Due to this, the currently high platinum sponge stocks will in all probability reduce in 2014. Some reduction in stock was already evident in recent weeks.

As mentioned in our outlook six months ago, investment demand is also an important factor. Worth mentioning here is Absa Capital's platinum ETF. This soaked up, more than surprisingly, over 900,000 ounces in the year and was one

of the factors preventing further declines in the price of the metal. Together with increased industrial demand, the ETF is responsible for the expected supply shortfall of 600,000 ounces as reported by Johnson Matthey. As against this, we have an expected excess supply of ca. 71,000 ounces according to Thomson Reuters GFMS.

Summarised, in view of the situation in South Africa and the positive outlook for industrial demand, we see platinum well supported, with a tendential upward bias. Additionally, with falling prices the mines will have a feasibility problem to deal with, which in turn should be price-supportive.

Palladium

Ø Jan - June: 750 \$/oz High: 850 \$/oz Low: 650 \$/oz

Palladium was the most stable of the precious metals in 2013 and in fact closed the year marginally stronger. The outlook is also positive. Johnson Matthey as well as Thomson Reuters GFMS expect supply-deficits of ca. 740,000 and 850,000 ounces respectively. Keeping in mind that primary palladium supply is mainly from Russia and South Africa – together they make up for ca. 75% of it – lack of sales from the Russian State reserves would be supportive for the metal. Norilsk Nickel, the world's largest palladium producer (here palladium is a by-product of nickel

mining), anticipates that the Russian State will not sell any palladium in 2014. The yearly increasing secondary supply of palladium from recycling of auto-catalysts can however partially compensate this.

On the demand side, the automobile industry with a share of ca. 70% in total demand remains by far the most important sector. Palladium is used mainly in petrol-driven vehicle auto-catalysts and is as such more dependent on the US and Asian markets. Both markets are presently viewed as having a healthy outlook and as such should positively affect palladium demand and thereby its price. There may be some headwind on account of possible substitution with cheaper raw material; however we do not see this as a significant factor at the moment.

Investment demand, compared to platinum, is very low. Should Absa Capital, with its already approved palladium ETF, have similar success as its platinum ETF, this would have a positive supportive effect on the price. Summarised we continue to see palladium well supported and as such will stay with our outlook.

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Disclaimer: The views are personal.





Precious Metals Forecast 2014



Ross Norman
CEO
Sharps Pixley

G **OLD**
High: \$1350 Average:
\$1274 Low: \$1180

Comments:

It has been uncommon for gold to score single digit percentage moves either way over the last decade ; we see 2014 being an exception.

Gold could be described as the 'Marmite' asset class - investors love it or hate it, giving rise to polarization of opinion on price direction.

The two key features of 2013 were the migration of metal to East and amelioration in economic conditions. As we see it, ongoing recovery with further dollar strength and even an uptick in

interest rates explains the sharp correction lower last year but is factored into the current price. Looking ahead, we expect ongoing preference for physical over paper gold and an easing of high impact and leveraged shorting of gold futures from record levels. Even ETF redemptions should abate.

In short, we see a weak H1 as the western selling tide turns, followed by price strength in H2 as Asian buying increasingly dominates giving rise to a 4% rise for the year. As such, we expect 2014 to be a Goldilocks year - not too hot and not too cold. The biggest passion killer for gold is likely to remain prevailing US dollar strength plus rising interest rates.

The consensus for gold at this time seems to be robustly bearish, which for contrarians is a positive sign.

Silver

High: \$25.00 Average: \$21.60

Low: \$18.20

Comments:

As the strongest performing asset class over a decade and the worst over the last year, silver is looking very much an investment unsuitable for widows and orphans. Its volatility scares. Investors will however be much encouraged by the way that investment demand within the ETFs has held up so well and this underscores silver's growing use in industrial applications. We expect silver to record a relatively modest 8% gain on the year - that is to say maintaining its double outperformance relative to gold. The key areas to watch in 2014 should be the growth in the photovoltaic market and new applications utilizing silver's powerful antimicrobial qualities. A strong economic recovery should also boost silver demand within the electronics and brazing sectors.

If our modest forecast is correct, silver will be altogether better behaved in 2014 by scoring the lowest price change in over a decade. This will be positive for silver in the long run as industrial users become less fearful of price volatility.



Rohit Savant
Senior Commodity Analyst
CPM Group

Gold-High: \$1,420, Low: \$1,100
Average: \$1,250

Investors are expected to enter 2014 with an optimistic economic outlook for the U.S. and the world. These expectations should continue to draw them toward the stock markets and real estate market, especially in the United States. As the year progresses they may grow concerned about the fundamentals of these markets and their ability to sustain high levels. The longer term macroeconomic issues affecting the global economy still persist and will come back to haunt global economic growth. This may become more apparent to investors as the year progresses drawing them back to gold toward the end of this year.

Silver-High: \$24, Low: \$18
Average: \$20.80

The direction of silver prices in 2014 will be determined by investor demand. Some investors are expected

to be sellers based on shorter term trends and are expected to dominate price trends for much of the year. Those that are buying are doing so primarily as a hedge against economic problems. These investors are expected to be in the minority for much of the year. Investors as a group are likely to refocus their attention on long-term issues over the course of the year, preventing prices from declining significantly from present levels and possibly beginning to rise toward the end of this year.



Frederic Panizzutti
CEO,
MKS Precious Metals DMCC

MKS GROUP 2014 FORECASTS **GOLD**

LOW 2014: 1120.00 USD/OZ

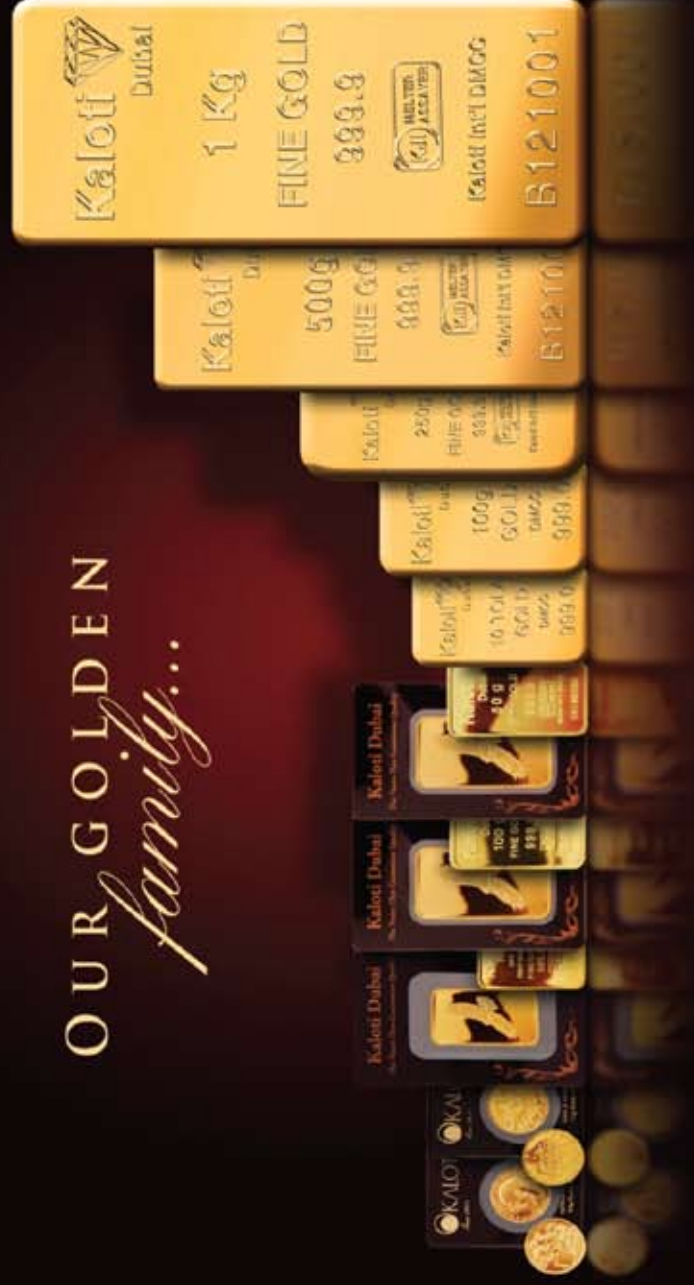
HIGH 2014: 1350.00 USD/OZ

AVERAGE 2014: 1262.00 USD/OZ

On December 31st, gold closed at 1201.50 USD/oz, declining 28% in 2013. The price drop in Q2 2013 prompted strong physical demand with large volumes moving from West to East; we expect this trend to continue in 2014. Chinese gold demand should in part compensate



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for the expected moderate gold imports into India. The market will no doubt focus on US QE tapering, but with the financial crisis finding some solid ground, a low interest rate environment and the USD likely strengthening in H2, we are less optimistic this year. We expect gold to strengthen in H1 on the back of physical demand, but with limited upside potential; 1350 USD/oz the target.

In Q4 gold shall weaken on the back of higher US interest rates talks and signs of global growth recovery. We shall keep an eye on the Central Bank agreement due for renewal in September; the official sector has been a net buyer for several years, the agreement may possibly not to be renewed or the signatories may decide to reduce the selling quotas.

Silver

2014 FCST

LOW 2014: 17.50 USD/OZ

HIGH 2014: 23.00 USD/OZ

AVERAGE 2014: 19.50 USD/OZ

Silver closed 11 USD/oz, or 36 % lower at 19.50, after trading in a wide range of 13.6 USD in 2013. Despite the sharp price decline, silver ETFs, unlike gold, have seen over 13 million ounces of additional inflow. While the expected gold price decline and selling towards the end of the year could result in investors partially switching to silver, we still believe significant liquidation risk lies with large ETF positions if silver price

action fails to convince investors. We expect silver to top at 23 USD/oz this year and its price average to be 19.50 USD/oz. We would not be surprised to see more volatility in silver and erratic trading from time to time.



Bart MELEK

Head of Commodity Strategy
TD Securities, Toronto

Gold:

Range: \$1,045 - \$1,325

Average: \$1,175

With the FOMC starting to taper its QE asset purchasing program, the price environment for gold is likely to get worse before it gets better. The coming higher real yields along with strong US equity markets and a firm US dollar should continue to increase the opportunity cost of holding zero-yielding assets such as gold. Investors are likely to reduce their gold ETF holdings in the early part of this year, while coin and bullion demand should also moderate. To offset some of this, gold will benefit from the positive impact of strong Chinese physical demand.

However, since much of the QE Taper impact has been already priced in, only a relatively modest additional decline is expected. Moreover, once the spec and physical investment markets stabilize in the aftermath of the end to the Fed's asset purchase program, the outlook for the yellow metal should improve in the latter half of 2014 as the Fed keeps short-term rates in the zero bound. Under the market's consideration of the Fed's near-zero policy rates for longer (possibly stretching well into 2016), gold should move slowly higher amid strong Asian demand, and renewed investment demand in reaction to higher price expectations. We expect core inflation to increase along with the US economic recovery. The US Fed is likely to keep rates lower even as headline inflation moves higher.

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Disclaimer: The views are personal.



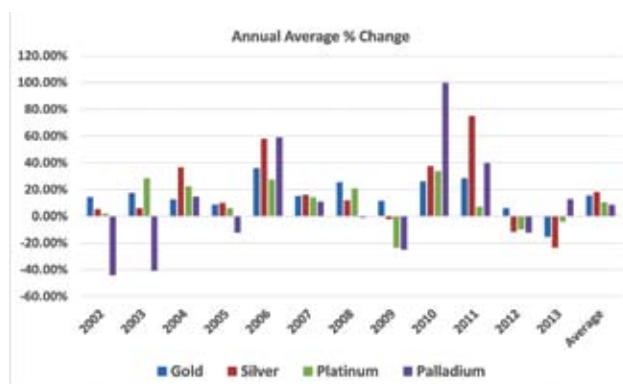


New Egypt Gold Precious Metals Forecast 2014



Gold had what was accurately described by a respected colleague in the market as an “Annus Horribilis” in 2013 with the high for the year of \$1695 being posted in January and the price then grinding inexorably lower through the next five months. The low point of \$1181 was recorded in late June amid a wave “Taper Tantrums” as the Fed gave its first signals that it was planning to turn off the easy money printing presses. A mid-summer rally based on a realization that the start of tapering was still some way off and the sheer weight of physical buying that emerged on the dip below \$1200 from the traditional markets in Asia saw off the speculative “tech spec” momentum short sellers. However the weakness resumed as we headed into Q4 and gold revisited the lows in December before ending the year

with an amazing session that saw the yellow metal traded between \$1183 and \$1213 before ending the year just above the crucial technical and psychological \$1200 level. The first few days of 2014 have seen gold extend its recovery to reach \$1240 with the closely watched MACD technical indicator flagging a buy signal. Price forecasting has never been an exact science at the best of times and experience shows that price action around year-end can be unreliable when used to base forecasts what is likely to happen over the coming 12 months.



As this chart illustrates the average price of gold in 2013 of \$1411 represented a decline of 15% compared to 2012 and was the first time since 2001 that the annual average had posted a loss. This clearly underlines the end of the bull trend that started in 2002 and culminated in a record

high of \$1920 being recorded in September 2011. As well as posting a 15% fall in the annual average price in 2013, the year on year decline was even more dramatic with a 28% loss with the main driver of this reversal in fortune for the yellow metal being large scale selling by Western investors with total ETF holdings falling by 26.2 Mio ounces or 34.5% over the year, representing dis-investment of around \$50 billion. Where did this money go? A quick look at the DJIA provides the answer with US equities posting a series of record highs in 2013 and a year on year gain of 27%, an amazingly accurate correlation between gold ETF selling and US equity buying last year. Looking at these numbers it is no great surprise that gold lost so much ground in 2013 but the good news is that the scale and pace of investor liquidation must surely slow in 2014, even if the prospects fresh inflows into gold from Western investors might be regarded as overly optimistic outside of the most bullish of circles. It is also reasonable to expect some profit taking in the equities in 2014 as the Fed implements the tapering of QE and begins to reverse the easy money policies that have been in place since 2008. With the likelihood of strong physical buying from the usual markets in Asia emerging on price dips into the \$1200 to \$1100 area and strong long term technical support in place between \$1100 and \$1000, there does not appear to be too much more room left on the downside after the dramatic declines seen since September 2011's all time record high of \$1920. However the change of tack by the Fed will be supportive of the US dollar, which in turn will weigh on the gold price and limit the upside. Consequently we are looking for gold to stabilize and consolidated this year with a relatively limited trading range bounded by a low of \$1045 and high of \$1445 with an average price of \$1270 in 2014.

If gold had a bad year in 2013 silver was even worse as the industrial precious metal posted a year on year

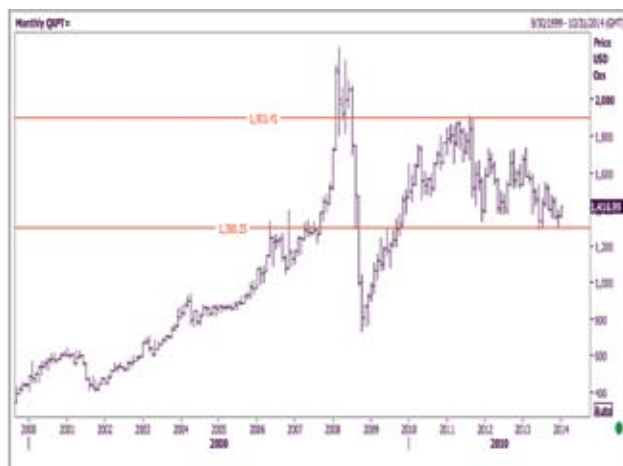
loss of 36% as it ended down \$10.85 at \$19.45, while the average price for 2013 of \$23.83 was 23% lower than 2012 to add to the 11% loss in 2011. After reaching a high point of \$49.50 in April 2011, silver's low of \$18.20 represented



an amazing decline of 63% in value. After such a steep fall it is reasonable to expect silver to recover its poise in 2014 especially against a backdrop of an ever improving US economy, which has positive implications for industrial demand. A look at the supply/demand fundamentals shows a market more or less in equilibrium and so any improvement in fabrication demand due to increased global economic activity could have a significant impact on prices. Accordingly we are looking for silver to have better year with strong technical support below the market likely to restrict moves on the downside to now more than \$18. Given silver's inherent high volatility it would be no great surprise if improving the improving economic sentiment pushed silver higher than many would expect and so we are looking for a high in 2014 of \$28 and an average price for the year of \$23.10.

it is no great surprise that gold lost so much ground in 2013 but the good news is that the scale and pace of investor liquidation must surely slow in 2014, even if the prospects fresh inflows into gold from Western investors might be regarded as overly optimistic outside of the most bullish of circles.

Platinum started 2013 on a positive note as the noble metal rose from \$1537 at the end of 2012 to reach a high for the year of \$1740 in early February driven by investor inflows into the new Absa Capital ETF in South Africa.



However the wider investor malaise in precious metals caused by the ever weaker gold price infected the PGM's and platinum fell to a low of \$1290 at the end of June amid the "Taper Tantrums" that impacted commodities in general and precious metals specifically. A mid-summer recovery to \$1550 soon gave way to renewed "gold driven" weakness in Q4 and platinum fell back to \$1300 in December. However good buying entered the market in the second half of the month that helped the noble metal to pare its year on year losses to \$169 or 11% as the price ended 2013 at \$1368. This recovery has continued in the early sessions of 2014 with the price reaching \$1420, setting the scene for what is expected to be a strong performance in 2014. The ever improving US and wider Global economies point to increasing industrial demand from the auto sector, while increased personal spending power will stimulate jewelry demand. On the supply side 75% of the world's primary mine production comes from South Africa which leaves the market vulnerable to supply shocks due to potential industrial unrest, while having adequate power supply is another on-going cause for concern. This positive demand versus supply

fundamental picture provides an outlook for much higher prices in 2014 with the market having the potential to reach \$1900, a level last seen in the summer of 2011. On the downside it is difficult to see the price below \$1300 while we expect a 10% increase in the average price in 2014 to \$1635.

Palladium was the lone star of the precious metals sector in 2013 as it bucked the bearish trend to end the year at \$713, representing a modest 2% year on year gain while the average price of \$725 in 2013 was up an impressive 12% versus 2012. As we have already stated the positive outlook for the global economy in 2014 is bullish for the PGM's both in terms of industrial as well as jewelry demand and the impending launch of a new palladium ETF by Absa Capital should give a major boost to investor inflows in 2014. Palladium's solid performance in 2013 has laid a solid foundation for higher prices in the coming year and we could see the market trade as high as \$975 while we would be very surprised to see a price below \$675. We also predict an increase in the average price of 10% in 2014 to \$795.



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Disclaimer: The views are personal.



Before looking at the year ahead, it is useful to look back at the year just passed. This adage is particularly true now because little has changed. Three major markets – stocks, bonds and gold – will again be driven this year by the same forces that shaped 2013, but the outcome will be different in one key respect. This year the price of gold will rise.

In January 2013, my outlook for the year ahead focused on three specific events. These were a rising yield on the 10-year Treasury note, growth of the Federal Reserve's balance sheet, and a decline in the gold/silver ratio.

Two of these events unfolded as expected. But the third did not confirm the other two.

Yields on the 10-year Treasury note rise

Back in January 2013, I considered the 2% yield on the 10-year T-note to be crucial. I saw it as an important tipping point, which when breached would signal that financial repression by the Federal Reserve was ending. I expected that when this 2% yield was eventually hurdled, it would be a key indicator telling us that the Fed could not keep interest rates at artificially low levels any longer because market forces had begun to overpower the Fed. In other words, the tipping point would occur when

investors were selling more Treasury debt instruments than the Fed was buying, and this imbalance would result in higher yields.

Yields bumped up against the 2% level several times in the first few months of 2013. Eventually 2% gave way in May 2013 as the Fed prepared for that month's FOMC meeting. The market believed there was a good possibility the Fed would announce that it was cutting back on its quantitative easing program. When that did not happen, yields surged and hurdled above another key technical level, 2.3%. Importantly, the yield on the 10-year T-note now appears ready to break above a third critical level, 3%, which ties into the next point.

Growth in the Federal Reserve's balance sheet

The Federal Reserve began expanding its balance sheet almost immediately after the collapse of Lehman Brothers in September 2008, as it sought to protect banks in the resulting financial crisis that thoroughly routed global markets. Through its quantitative easing



program as well as currency swaps it was conducting with European banks, the Fed's total assets rose to a peak of \$2.86 trillion in July 2011. The Fed then put on the brakes, so that eighteen months later its total assets had actually dropped slightly to \$2.81 trillion. It was this unexpected throttling of its asset growth that had me pondering in January 2013.

When the Fed increases its assets, it turns debt into US dollar currency. But in contrast to prevailing economic and monetary theory as well as conventional wisdom, the newly created currency the Fed

Given that the federal government is still spending and spending and the Federal Reserve is still printing and printing (even if it actually does taper this month by dropping its debt monetization by \$10 billion a month to \$75 billion), the precious metals will over time move higher.

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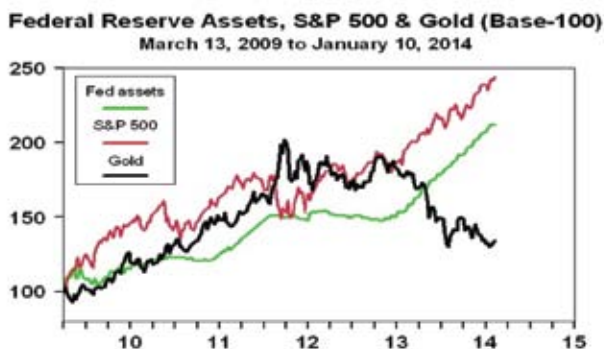


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was pumping out was doing little for the US economy. Unemployment remained stubbornly high, even with the government's massaging of the numbers. Real personal income and retail sales (excluding high-end sales to the rich) were stagnant, and the customary feel-good factor prevalent in economic expansions was totally absent.

The newly created currency was, however, doing wonders for the stock market and gold as we can see in the following chart, which clearly illustrates their correlation. From the Fed's announcement in March 2009 that it would be undertaking \$1 trillion of quantitative easing, both were lifted by this monetary largesse, with gold and the Fed's total assets actually reaching a new record in 2011. But advances in gold and the S&P stalled when the Fed stopped expanding its balance sheet.



Taken together, these events meant that stocks had not risen from their post-Lehman low because of good economic conditions. Rather, all the new money the Fed was creating had to go somewhere, and it ended up in the stock market. It also of course ended up in gold, which always responds with higher prices when the Fed debases the dollar by creating too many of them.

So while the advance in stocks and gold stopped, I expected the gold price to rise in 2013 because it seemed highly likely that the Fed would again be expanding its balance sheet with more debt monetization.

The gold/silver ratio falls below 50

During precious metal bull markets, silver outperforms, meaning the gold/silver ratio falls. As the price of both precious metals rise, the price of silver rises faster so that

it takes fewer and fewer ounces of silver to exchange for one ounce of gold.

The reverse happens when the precious metals are in a bear market, whether long-term or just a short-term corrective phase within a long-term bull market (which describes the current state of the precious metals). Silver underperforms gold. The price of silver – when measured in percentage terms – falls more than the price of gold.

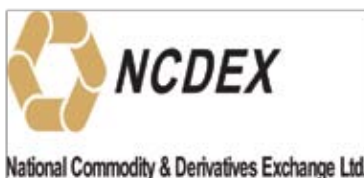
So I recommended watching the gold/silver ratio in 2013 to see if it fell below 50, which was an important technical level. It remains an important technical level because the ratio has not yet been breached.

As for the future, gold and silver will continue to rise as long as the same policies in Washington are followed. Given that the federal government is still spending and spending and the Federal Reserve is still printing and printing (even if it actually does taper this month by dropping its debt monetization by \$10 billion a month to \$75 billion), the precious metals will over time move higher.

We are now saying that history is about to repeat. Instead of addressing the causes of the 2008 financial crisis, the world's governments have continued along the same path, accumulating even more debt and inflating even bigger financial bubbles. Thus, the outlook for 2014 is the same as it was for last year, the important point being the potential for a black-swan event like the one experienced in 2008 with the Lehman Brothers collapse. The reason for this worrying outlook is simple. The interrelated sovereign debt and bank solvency crises have not been resolved, and central banks are following monetary policies that are favorable to governments and banks, not savers and investors.

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James Turk is the founder of GoldMoney and the co-author of *The Money Bubble: What To Do Before It Pops*. GoldMoney is one of the world's leading providers of physical gold, silver, platinum and palladium for retail and corporate customers. Customers can trade and store precious metal online easily and securely, 24 hours a day.
This is edited version. Full article is available in our website www.bullionbulletin.in. Views are personal.





NCDEX GOLDHEDGE Integrates Gold with Financial Markets

With immense economic value locked in physical gold across the country, financialization of the precious metal is a pressing concern of the government and the RBI. This also prompts the market intermediaries including commodity exchanges to devise customized products that would suit the requirements of the targeted investor segment apart from guarantying good returns. Hence, gold backed products are also expected to technically help in reducing gold imports that have contributed horrendously to India's fiscal deficit. It is in this context, that products like the recently launched NCDEX GOLDHEDGE deserve prominence while delivering hedging benefits. It is indeed a sign of financialization of gold.

“With large gold imports, external stability appears to be an issue”, viewed RBI Working Group to Study the Issues Related to Gold Imports in its report in January 2013. Excessive imports of gold, the second-biggest contributor to the import bill has long worried both the government and RBI. In the recent past, India's gold imports have increased sharply leading to concerns of macroeconomic management in a slowing economy given its implications for trade deficit. Large gold imports in the wake



of worsening trade deficit have left the country's external sector extremely vulnerable to a balance of payments crisis. As per data by Directorate General of Commercial Intelligence and Statistics (DGCI&S), Ministry of Commerce & Industry, gold imports rose from US\$ 40.5 billion in 2010-11 to about US\$ 56.2 billion in 2011-12, driven mainly by demand for the yellow metal despite steep rise in prices during the same period.

In the last one year, however, the demand-supply scenario in gold in the country has undergone a drastic change with a series of

policy actions announced by both the government and RBI to curb demand after country's current account deficit (CAD) touched a record 4.8 percent of GDP amounting USD 88.2 billion in 2012-13, way above sustainable levels of 2.5 to 3 percent.

Introduction of gold import curbs meant that local premiums are distorted, rendering domestic gold prices inefficient and ineffective under changed circumstances as the price of gold is discovered elsewhere. As part of its efforts to restrain CAD, the government had, in 2013, raised gold import duty thrice from 2 percent in January to

INDIA DISCOVERS NEW PRICE OF

GOLD



NCDEX GOLDHEDGE contract depicts the True Value of Gold

	Gold Price (existing contract)	NCDEX Gold Price (GOLDHEDGE contract)
International Gold Price (in dollars)	✓	✓
Domestic Premium	✓	✗
Import Duty	✓	✗
Exchange rate	✓	✓

Contract Specifications

Name of Commodity	Gold
Ticker Symbol	GOLDHEDGE
Unit of trading	1 kg
Quotation/Base Value	Rs per 10 Grams of Gold with 995 fineness
Tick size	Re 1
Minimum Initial Margin	5%
Delivery Logic	Intention Matching
Final Settlement Price	The Final settlement price will be calculated on the expiry date based on Closing International price on the day of expiry at RBI reference rate. The detailed calculation is as illustrated below : 1. Closing International price will be multiplied by 31.9899927 for calculating the equivalent of per Kg price from per ounce price. This is the price of 1 Kg of Gold in US\$ of 995 purity. 2. Price arrived after step 1 will be multiplied by RBI reference rate on the day of expiry. This gives the price of 1 Kg Gold of 995 purity equivalent in INR. 3. The price arrived after step 2 is divided by 100 to get the Gold price for 10 Gms of 995 purity equivalent.

BENEFITS OF GOLDHEDGE CONTRACT

- Transparent hedging platform
- Contract value reflects the true value of gold as it excludes customs duty and local taxes
- Simple and transparent settlement price
- Intention matching contract

Available as
100 gm and
1 kg contract



COMPARATIVE COST ANALYSIS: An Illustration

	GOLD [1 Kg]	GOLDHEDGE [1 Kg]	DIFFERENCE
Price in Rs/10 gm	29,009	24,386	4,623
Value of Contract (Rs / Kg)	2,900,900	2,438,600	462,300
Margin 5% (Rs)	145,045	121,930	23,115
CTT @ 0.01% on sell side (Rs)	290	244	
Transaction charges @ 0.002% (Rs)*	58	49	
Service tax @ 12.36% (Rs)	7	6	
Charges (Rs)	355	299	56

Above illustration include only Exchange charges (excluding stamp duty); member brokerage not included.
Illustration with closing spot prices as on 17th January, 2014

TICKER CODES

	NCDEX GOLDHEDGE		NCDEX GOLDHEDGE 100	
	Bloomberg	Reuters	Bloomberg	Reuters
March 2014	JLOH4	NCGHH4	JLIH4	NIGHH4
May 2014	JLOK4	NCGHK4	JLIK4	NIGHK4
July 2014	JLON4	NCGHN4	JLIN4	NIGHN4

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10 percent in August resulting to an artificial squeeze in the domestic supply of gold, especially after RBI introduced the 80-20 rule for gold imports. Import restrictions triggered a sharp rise in domestic premium on physical gold which has now touched as high as 15% compared to that in July 2013 when the premium was virtually nil. Combined effect of import curbs and increased premium was distortion of the traditional correlation of local prices with international prices for gold making the domestic hedge imperfect and ineffective as the prices here no longer reflect current international prices. In 2013, the correlation has sharply declined to 91.7 percent compared to the correlation of 97.7 percent in year 2012 and the decline could be sharper if one takes into account volatility of Indian Rupee during the period. This drastic de-coupling means that Indian physical market players can no longer effectively hedge their international price risks by trading in the existing domestic futures.

The new contract, GOLDHEDGE by NCDEX, offers a transparent and effective platform for hedging gold import risks as its prices are reflective of the price movement of international gold with clarity in traded prices and FSP calculations. In GOLDHEDGE domestic market conditions are irrelevant making the contract simple, easy and cost-effective to trade. It is the purest and the efficient form of price discovery in gold in the country as it excludes customs duty, local

premium and other taxes. In this new contract, an investor has to focus only on the international gold market and rupee-dollar exchange rate. It, therefore, offers complete transparency in the price discovery with 100 percent convergence and correlation with international prices. Lastly, it is an intention matching contract so that those who are willing to buy or sell gold can do so in the physical market.

Given the volatile nature of capital flows excessive gold imports could become a drag on the external stability of the country. RBI, from time to time, cautioned government on the need for measures to moderate demand for imports in India. While exploring methods to moderate country's 'gold rush', RBI has also made efforts to create alternative instruments to investing in gold other than physical purchases with comparable rates of return on investment in physical gold with adequate liquidity and flexibility. In this context, it may be recalled that, as early as in 1997, S S Tarapore Committee on Capital Account Convertibility had recommended introduction of gold-backed financial products as a measure to reduce imports. The latest RBI study too recognizes introduction of new gold-backed financial products to thoroughly address the complex issue of gold imports.

NCDEX GOLDHEDGE is in perfect sync with these efforts of RBI to evolve gold into a financial asset that provides

returns comparable to return on investment in physical gold with adequate flexibility. It is more advanced a financial instrument than gold ETFs because gold ETFs necessarily hold tonnes of vaulted gold which inflict a drag on the external sector impacting country's external stability and hence do not completely satisfy RBI's objective of financialization of gold. However, GOLDHEDGE helps serve the RBI's purpose as it defers gold demand till the time of actual delivery.

As compared to the developed countries, India has a higher savings rate hovering around 30 percent, however the domestic savings are predominantly diverted towards physical assets. Central Statistics Office data indicates that that around 46.4 per cent of the India's gross domestic savings (2011-12) are channelized towards physical assets. Further, households account for 72.6 per cent of gross domestic savings out of which 64.09 percent lie in physical assets. Given these facts, NCDEX GOLDHEDGE, serves as an ideal tool to attract savings from physical to the financial assets spectrum and stands as an innovative financial product that gives physical market players a perfect hedge without worrying about impact of their actions on the external account of the country. In the process, GOLDHEDGE is a unique step to integrate gold market with financial markets.



Inflation-indexed bonds in India: Relevance and Outlook

Ashok Gautam, SVP & Head Global Markets, Treasury, Axis Bank

Background

The current financial year has been an extremely turbulent year for the Indian Rupee. Indian Rupee has been under continuous pressure on account of confluence of a range of factors, originating either domestically or globally. While looking to address the worsening current account deficit scenario the gold imports were identified as one of the major contributors of forex demand and adding to the burgeoning deficit. Apart from the historically famous fascination Indians have for gold, another factor was identified for the incessantly increasing gold bill. It was felt that many investors assumed that gold was the ideal hedge against inflation gnawing into their capital. In the absence of any significant domestic production, the component of demand directly translated into upward pressure on USD-INR spot rate.

The lack of any other viable alternatives in the form of financial instruments especially in the rural areas was widely acknowledged to be compounding the problem further. The government and the regulators approached the challenge from multiple fronts including encouraging the enhancement of financial inclusion, controlling inflation, fiscal discipline as well as increasing the availability of bespoke financial instruments for the investors.

Details

It was against this background that the new inflation linked bonds (IIB) were launched last year. The bonds linked to WPI (Wholesale Price Index) were introduced in June 2013.

This was followed by CPI (Consumer Price Index) linked bonds in December 2013. While the WPI index focuses on capturing the rise in the

prices of manufactured goods and fuel etc., the CPI index is more apt at reflecting the increases in transportation, housing, services and education costs etc.

The WPI bonds are issued at the Face value of Rs 100. These bonds can be traded.

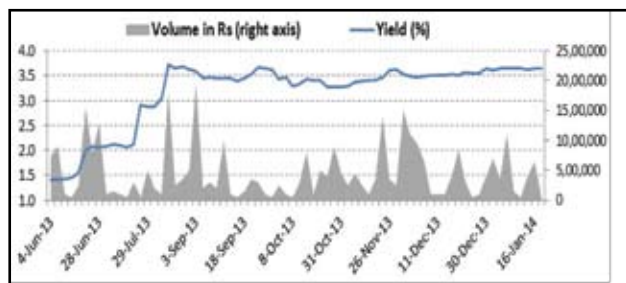
However, the minimum trading size is Rs. 10,000 and in multiples of Rs. 10,000 thereafter. All investors eligible for participation in auction of government securities can participate in the auction of WPI linked IIBs. Retail investors can participate via non-competitive bidding in the auction through primary dealers or banks and the bonds will be credited to their gilt account or demat account. The outstanding volume for the WPI based bonds has steadily grown to Rs. 6,500 Crores.

The CPI linked bonds are available to individuals, Hindu Undivided Families (HUFs), Universities and charitable institutions, with the minimum investment amount as Rs 5,000 (Face Value) and in multiples of Rs. 5,000 thereafter. The maximum amount of investment is capped at Rs. 5 lakhs per investor for a year. The RBI has authorised State Bank of India (SBI) and its associates, all nationalized banks and select private sector banks like Axis Bank to enable retail investors to participate.



The investors who have been buying gold to hedge against inflation by investing in exchange traded funds or gold bars are likely to find utility in the new investment avenues. However, the historic component of the gold demand emanating from personal consumption in the form of jewellery / ornaments is likely to be more inelastic.

Trend in yield and daily trading volume of IIB 1.44% 2023:



The instruments are expected to divert investments from gold into government debt instruments while providing an unambiguous hedge against inflation, though measured with a lag.

With the conventional fixed rate bonds, the nominal value of the coupon and redemption amount is known in advance but in the real terms the value keeps on eroding with the rising inflation. As illustrated in the table below, for the WPI linked bonds, the Principal component will be protected by adjusting the final redemption amount in accordance with the inflation, with a floor on the minimum redemption value at the face value of the bond. For the coupon, the investor receives a spread of 1.44% above the WPI adjusted Principal.

In case of CPI linked bonds, the investor will earn a spread of 1.50% over the CPI. The fixed rate of 1.50% will act as a floor, ensuring principal protection and a minimum coupon of 1.50% even if the inflation rate is negative.

Scenarios	Inflation Index(WPI)	Index Ratio(IR)	Face Value (100*IR)	Coupon (1.44* IR)	Redemption Value
Initial	100		100	1.44%	100
Scenario 1	110	1.1	110	1.58%	110
Scenario 2	90	0.9	90	1.30%	100 (Floor Value)

Though the IIBs will be having tax treatment similar to the fixed-deposits (FDs), the interest can be higher than FDs when the inflation is high. On the other hand the returns on the bonds can be lower than FDs when the inflation is lower.

Impact

With the inflation on an upward trajectory, the investors in the recent past have been actively seeking options in the form of instruments offering a positive real rate of interest. The protection of capital ensures that investor need for capital growth will be met while ensuring stability in portfolio valuation. The CPI has been in double digits recently and the linked bond offering a spread of 1.5% over CPI is a genuine option for retail investors offering returns in real terms. Though the CPI linked bonds are not tradeable, these can be used as collateral against loans from banks and other financial Institutions. The investors who have been buying gold to hedge against inflation by investing in exchange traded funds or gold bars are likely to find utility in the new investment avenues. However, the historic component of the gold demand emanating from personal consumption in the form of jewellery /ornaments is likely to be more inelastic.

Outlook

IIBs are a new product to the Indian markets. The concerns related to the actual cash flow of the returns being variable with a possibility of significantly lower cash flow when inflation drops, means that the appetite for the product is yet to pick up. Nonetheless, it is widely acknowledged that IIBs are the answer to a long felt need and a step in the right direction. With demand being driven by a rapidly growing economy and unresolved structural challenges on supply side of goods & services, the inflationary environment is not likely to alter significantly going ahead.

To encourage deeper and wider product propagation, RBI has extended the deadline to invest in the CPI linked bonds to March 31, 2014 from December 31, 2013 recently. Innovations in the product features and enhancement of limits on participation can increase the attractiveness of the instruments for investors further. The IIBs offer an ideal choice of the fixed income portfolio of investors and have the potential to draw a significant proportion of their asset allocation in the future.

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Disclaimer: The views are personal.



Gold Premium in India

S Guruswamy, Director - Marketing, Surana Corporation Ltd.

What has led to surge in gold premium in India?

The premium levels went up following sudden fall in imports of gold, post RBI clamp down from May, 2013. The situation went only slipping with every subsequent clarification issued by RBI and other agencies. If there is a view in some quarters today that situation has vastly improved, I would not agree. While gold as a portfolio of investment disappeared from the middle and upper middle classes more than a year ago, it is the surviving demand from the jewellery manufacturers (led by consumers) which was/is being beautifully exploited by the thinner availability. One may also choose to call it 'a market opportunity'! Your estimates of the high premium level data are understated!

How has lack or absence of competition at nominated agencies level influenced the premium? Is it a factor at all?

Initially, only refiners were kept out of the RBI Circular. The domestic market started taking the tailspin. Competition has nothing to do with what is happening. Though 80:20 with clarifications came later, the status holder nominated agencies were completely kept out of the picture. The premiums touched dizzy heights, triggered by limited supply.

The 20% export compliance proved to be impossible, as it really meant so much of incremental exports! Meanwhile, the import duty on jewellery was raised to 15%, as jewellers started importing jewellery in order to beat down the impact of unimaginable premium levels in the domestic market. Even at 15% import duty on jewellery, the end users are able to effectively peg the premiums at a certain level, which is also crazy.

Why is scrap (recycle gold) not flowing into the market, even with declining international prices and high Indian prices?

Some quantity of scrap is certainly getting into the market. But that would not make any difference. What is giving a stiff fight to the players in the official channels of imports is the inflow into the market through the secondary channels. Everyone is perhaps aware of this reality. The fact that domestic holding does not find its way to the market even at this exorbitant price proves the age-old belief that gold/jewellery once bought by the culturally bitten householders remains bought forever!

How can the costs to the consumer be reduced?

It is the consumers, the buyers of jewellery, who are compelled to buy jewellery for weddings and other events, are at the receiving end of this high premium game. If they unite as a single force, there would be no sale of jewellery and no demand for gold and thus no room for any unmarket-friendly premium. But this would never happen, as we boast we are country of diversities! So, I do not see any way of reducing the costs to the consumer. This can come about only when the unrealistic restrictions on imports which give rise to exploitation are removed, aligning our country with the rest of the world in terms of cost of bullion or when bullion imports are completely banned!

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Disclaimer: The views are personal.



Silver Demand is growing in Electrical and Electronics Industry in India

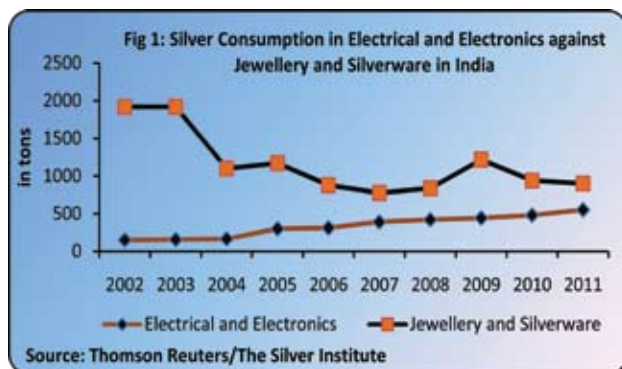
Bullion Bulletin Research Desk



India is the second largest consumer of silver in terms of industrial fabrications, next only to China. India consumes around 1900 tons of silver in a year, which is nearly 8% of world's total mine production. For an ordinary citizen in India, silver means a precious metal, which can be used to make jewellery or silverware. According to Thomson Reuters/The Silver Institute figure, these two segments (jewellery and silverware) used to consume around 1900 tons of silver in 2002. The number has come down dramatically over the years and now

these two segments are consuming around 900 tons on yearly basis.

Perhaps, it is difficult to believe how the total consumption level remains almost static today compared with 2002 (1900 tons yearly basis) despite drastic drop in jewellery and silverware fabrication. But, the mathematics is as simple as water is to life. The fall in consumption in jewellery and silverware is replaced by electrical and electronics, brazing alloys and solders segments. Together, they are consuming more than 700 tons at present. But, out of this, electrical and electronics segment has excelled with rise in Indian economy. This segment is alone consumes more than 500 tons today, according to Fig 1.



Background of Electronics Industry

Government of India has placed electronics sector under 'priority' segment not only for economic imperative, but also for growing security threats

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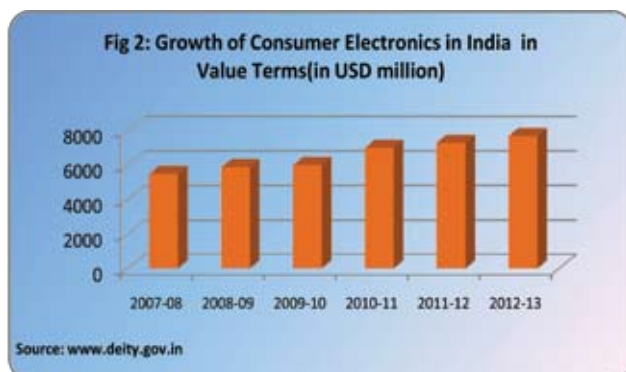
to ICT dependent business process. Government has put a special emphasis on electronic hardware manufacturing up-to the Chip level to counter the security threat. According to Department of Electronics and Information Technology, Government of India, India's share in electronic hardware production is only 1.3% of global production, which currently stands at \$1750 billion. So, there is enormous scope to excel in this segment considering the growing size of Indian economy. At the same time, the demand of domestically produced electronic goods, as per the Ministry's estimate, would grow to \$400 billion by 2020 at a CAGR of 22%. But, at current level, the industry could meet only demand of \$100 billion by 2020.

So, there is hardly any doubt that electronics industry would continue to grow, or rather, the segment has to grow to keep pace with growing economy; demand for silver would continue to remain robust. As we have witnessed in case of China, India, too, has the potential to become a strong electronic hub, albeit primarily to meet domestic demand.

Growing Segments

Consumer Electronics

Consumer electronics is one segment which does not require any introduction. Indian economy has grown

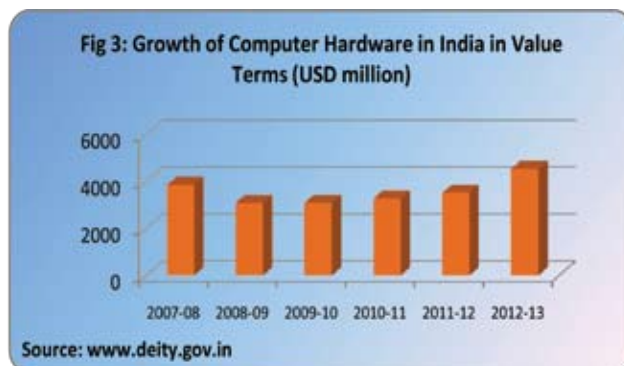


over 7% till 2009-10 and disposable income has also grown in line with economy. For example, demand

for color televisions, or to be precise, LCD/LED panels has been growing exponentially. According to Department of Electronics and Information Technology estimate, the market of LCD/LED TVs has increased from about 4 million units in 2011 to approximately 5.5 million units in 2012. This year it is projected to increase to 7 million units. These panels use silver 'electrode' to produce low-level, energy efficient light.

Computer Hardware

Demand for personal computer (PC) has grown exponentially with rise of household income. PC market is expected to be driven by household segment by more than 50%, according to Department of Electronic and Information Technology estimate.



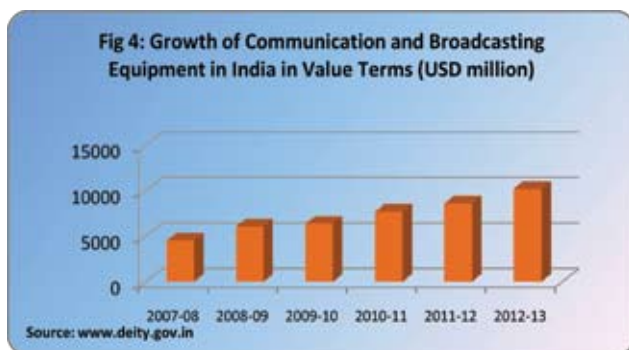
Growing income level and awareness for having a personal computer in household as an educational device is driving the PC market. In 2012-13 itself, 12 million personal computers have been sold. The figure may be huge apparently, but considering

Government of India has allowed 100 percent FDI route in semiconductor fabrications (Semiconductor components in electronic products). Not only that, government has also approved a proposal to set up electronic manufacturing clusters (ECMs) to assist the Design and Manufacturing sector.

the population of the country and demographic differences, the number is too small.

Communication and Broadcasting Equipments

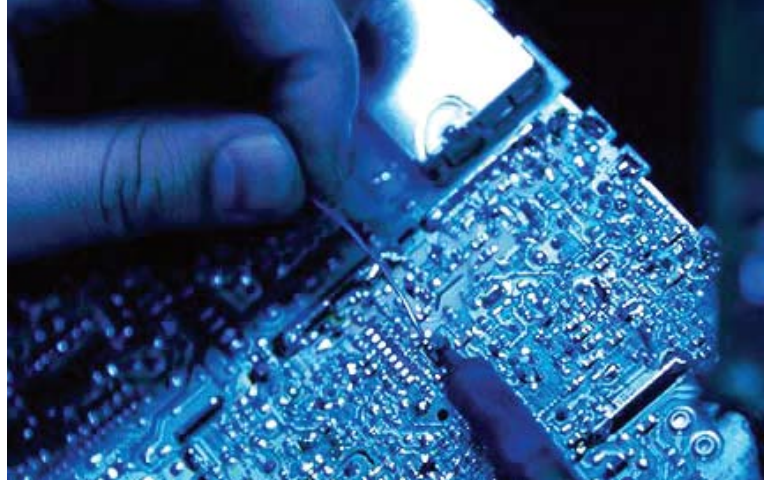
Among all the metals, silver has the higher electrical conductivity. But, because of high cost, copper has taken a large part in electrical application. But, silver is unparalleled when it comes to radio-frequencing engineering, particularly at VHF (Very



High Frequency) or UHF (Ultra High Frequency). In this, silver plating is used to enhance the electrical conductivity of parts, including wires. FM and television broadcasting, land mobile stations are some of the common uses of VHF.

Figure 4 shows the exponential growth of communication and broadcasting equipments in value terms. As per Ministry figure, more than 180 million mobile handsets were sold in 2012-13, i.e. 9% higher than previous years; till September 2012, there were altogether 242 FM radio stations were in operation; registered TV channels as of September 2012 are 843; till Sept 2012, there were 50.91 million registered

subscriber with 6 private DTH operators. This segment has been growing at fastest speed. This precisely the reason, and as reflected in Fig.4, the value of production has increased to \$10263 million in 2012-



13 against \$8619 million in 2011-12. According to Telecom Regulatory Authority of India (TRAI), the demand for telecom equipment is estimated to grow to \$31379 million in 2020.

In recent policy move, Government of India has allowed 100 percent FDI under automatic route in semiconductor fabrications (Semiconductors are the main components in electronic products). Not only that, the central government has also approved a proposal to aid financially to develop electronic manufacturing clusters (ECMs) to assist Electronic System Design and Manufacturing sector. The government is also keen to encourage local manufacturers in electronic sectors by providing special incentive package.

Coming to silver, the metal, as we already mentioned earlier, is the best conductor of electricity. So, in our estimate, if the price of silver remains competitive in the international market, as we have been seeing today, we believe the demand of the metal will continue to increase in electronics industry in India. (The demand has grown at CAGR of 13.8% from 2002 to 2011, and with current initiatives like 100% FDI in semiconductor manufacturing undertaken by the Government, if it actually happens, we could assume that electronic industry would require more than 1000 tons of silver, from the current level of 550 odd tons in next five years).

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ECONOMIC REVIEW



US:

US is expected to grow at a promising rate of 2.8% in 2014 as per the International Monetary Fund (IMF), more than 1.9% growth pace of 2013. This optimistic view on growth is mainly drawn from expectations for less drag from higher U.S. taxes and across-the-board spending cuts. It has also mentioned that US may experience growth at 3% in 2015. The US Fed's decision on tapering its \$85 billion bond buying program by the end of the month puts significant impact on the emerging economies and on the global gold trading market as well.

Europe:

As for Europe, the region is recovering from a lingering recession slowly. While the economy shrank in previous two years, this year it is expected to grow at 1%, and in 2015 at 1.4%. Further to add, Britain will grow at the fastest pace since 2007 that indicates the country's recovery from the region's recession ahead of others. The IMF report said: 'Activity in the United Kingdom has been buoyed by easier credit conditions and increased confidence.'

China:

The Government of China mentioned the country's growth at 7.7% after adjusting inflation which is growing four times faster than the US in dollar terms. China's growth in 2013 was mainly due to the accelerated investment in the second half. IMF said that China's economy is expected to grow at 7.5% in 2014 and 7.3% in 2015.

India:

After a favored monsoon season and higher export, India's growth has picked up in second half of the year due to which IMF states that India will grow at 4.4% in the fiscal year 2013-14. The financial system is slowly healing in India as said by Olivier Blanchard, IMF chief economist. The projection on recovery of US and Euro area is good news for the India's export industry as well. Indian rupee has depreciated by 13% against USD in a year time as it is now hovering at 61.55-62.57 range.

Impact on gold:

While the unemployment problem will still persist as the major concern globally, IMF estimates the world economy to grow at 3.7% rate in 2014. Overall, the International Monetary fund is optimistic about the global growth scenario propelled by recovery in US and Euro zone. As we all know, while it is indeed good news for the economic health, the safe haven appeal of gold may start to diminish to a certain extent as the condition improves in world economy front.

Global gold market has now slumped from its six week high due to speculation on slow down in physical demand. Bearishness is going to continue till a strong support comes along.

China in order to remove Dollar from the country's gold trade has launched the new Yuan priced gold contract this month.

Annexure:

US- Economic Indicators

Sl. No.	Indicators	December	Actual	Forecast	Previous	November	Actual	Forecast	Previous
1	ISM Manufacturing PMI	Jan 02	57.0	56.8	57.3	Dec 02	57.3	55.2	56.4
2	ISM Non-Manufacturing PMI	Jan 06	53.0	54.6	53.9	Dec 04	53.9	55.4	55.4
3	Trade Balance	Jan 07	-34.3B	-40.2B	-39.3B	Dec 04	-40.6B	-40.3B	-43.0B
4	ADP Non-Farm Employment Change	Jan 08	238K	199K	229K	Dec 04	215K	172K	184K
5	Non-Farm Employment Change	Jan 10	74K	196K	241K	Dec 06	203K	180K	200K
6	Unemployment Rate	Jan 10	6.7%	7.0%	7.0%	Dec 06	7.0%	7.2%	7.3%
7	Core Retail Sales m/m	Jan 14	0.7%	0.4%	0.1%	Dec 12	0.4%	0.2%	0.5%
8	Retail Sales m/m	Jan 14	0.2%	0.2%	0.4%	Dec 12	0.7%	0.6%	0.6%
9	PPI m/m	Jan 15	0.4%	0.5%	-0.1%	Dec 13	-0.1%	0.0%	-0.2%
10	Core CPI m/m	Jan 16	0.1%	0.1%	0.2%	Dec 17	0.2%	0.1%	0.1%
11	Philly Fed Manufacturing Index	Jan 16	9.4	8.8	7.0	Dec 19	7.0	10.3	6.5
12	Prelim UoM Consumer Sentiment	Jan 17	80.4	83.4	82.5	Dec 06	82.5	76.2	75.1
13	JOLTS Job Openings	Jan 17	4.00M	3.97M	3.93M	Dec 10	3.93M	3.96M	3.88M
14	Building Permits	Jan 17	0.99M	1.01M	1.02M	Dec 18	1.01M	0.99M	1.04M

EURO Zone- Economic Indicators

Sl. No.	Indicators	December	Actual	Forecast	Previous	November	Actual	Forecast	Previous
1	CPI Flash Estimate y/y	Jan 07	0.8%	0.9%	0.9%	Nov 29	0.9%	0.8%	0.7%
2	Minimum Bid Rate	Jan 09	0.25%	0.25%	0.25%	Dec 05	0.25%	0.25%	0.25%
3	GermanZEW Economic Sentiment	Jan 21	61.7	63.4	62.0	Dec 17	62.0	55.3	54.6

China- Economic Indicators

Sl. No.	Indicators	December	Actual	Forecast	Previous	November	Actual	Forecast	Previous
1	CPI y/y	Jan 08	2.5%	2.7%	3.0%	Dec 08	3.0%	3.0%	3.2%
2	Trade Balance	Jan 09	25.6B	32.6B	33.8B	Dec 07	33.8B	21.3B	31.1B
3	GDP q/y	Jan 19	7.7%	7.6%	7.8%	Oct 17	7.8%	7.8%	7.5%
	HSBC Flash Manufacturing PMI	Jan 22	49.6	50.6	50.5	Dec 15	50.5	51.0	50.8

India- Economic Indicators

Sl. No.	Indicators	December	Actual	Forecast	Previous	November	Actual	Forecast	Previous
1	HSBC Markit Manufacturing PMI	Jan 02	50.70	-	51.30	Dec 02	51.30	-	49.60
2	Indian HSBC Services PMI	Jan 06	46.7	-	47.2	Dec 04	47.2	-	47.1
3	Indian Industrial Production (YoY)	Jan 10	-2.1%	1.0%	-1.8%	Dec 12	-1.8%	-1.2%	2.0%
4	Indian Trade Balance	Jan 10	-10.14B	-8.70B	-9.22B	Dec 11	9.22B	-11.00B	10.56B
5	Indian CPI (YoY)	Jan 13	9.9%	9.9%	11.2%	Dec 12	11.20%	10.0%	10.1%
6	Indian WPI (YoY)	Jan 15	6.16%	7.00%	7.52%	Dec 16	7.52%	7.00%	7.00%

(Note:  indicates -ve sentiment &  indicates +ve sentiment)

NEWS



Cheaper gold brings new customers to Dubai in droves:

The

recent falls in US gold prices helped by the Fed's announcement that it will begin to taper its quantitative easing program, has a flip side to it for consumers in Dubai and for gold jewellery exporters in India. Lower gold prices are driving massive sales in the Gulf region, with new, younger customers getting in on the act.

More than 40% of the gold jewellery from India is exported to Dubai and other Gulf countries. With the price of gold diving nearly 28% this year, from \$1,700 an ounce in January to nearly \$1,200 this month, Indian jewellers operating in the Gulf region have never had it so good.

Source: www.mineweb.com



Curbs on gold imports to stay, at least till March: Mayaram: Restrictions on gold

imports are likely to continue until at least March-end, notwithstanding an improvement in the current

account deficit situation. "Our point is that we need to keep the CAD (current account deficit) low. We cannot afford to let it go and therefore, at least for this fiscal, we should not tamper with what the regime is.

"...And whatever is to be considered should be considered in the next year after fully understanding how the CAD will look for the next year," Economic Affairs Secretary Arvind Mayaram told PTI in an interview.

Source: articles.economictimes.indiatimes.com



China's gold output up 7.01% in Jan-Nov: China saw its gold output

increase by 7.01% year on year to 392.14 tons in the first eleven months of 2013, according to the latest figures from the China Gold Association. In the first eleven months of last year, gold mines in the country produced 321.12 tons of gold, 4.08% more than in the same period of 2012. Meanwhile colored-by-product gold from nonferrous smelters increased by 22.59% year on year to 71.03 tons during the period. In the month of Nov 2013, China's gold output reached 44.49 tons, up 11.67% from a month earlier.

Source: www.chinaknowledge.com

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Alain Corbani

Head of Commodities at
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Bernhard Graf

Portfolio Manager AMG Gold,
Mines & Metals Fund

Urs Gmür

CEO and co-founder (2000) of
Dolefin

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Gold to recover some lost ground in 2014 – HSBC:
Gold should recover

modestly this year, according to HSBC, with an estimated wide trading range of USD1390/oz to USD1105/oz for 2014.

Key Quotes: “We expect monetary policy – especially as it influences the USD – will be a key in helping to shape and determine gold prices this year. Tapering expectations helped trigger a near stampede out of gold in 2013 and it is reasonable to say that some form of tapering has already been factored into prices. That said, it is likely that further tapering would have a second-round negative impact on gold prices. These declines should be much more restrained than the plunge in prices in the first half of 2013.”

Source: www.fxstreet.com



Deutsche Bank to withdraw from gold fix amid probe:

Deutsche Bank will withdraw

from gold and silver benchmark setting, or fixing, amid an investigation by German regulators into suspected manipulation of precious metals prices by banks. Deutsche, one of five banks involved in the twice-daily gold fix for global price setting, said it was dropping out of the process after withdrawing from the bulk of its commodities business.”Deutsche Bank is withdrawing its participation in the gold

and silver benchmark setting process following the significant scaling back of our commodities business,” the bank said in a statement.”We remain fully committed to our precious metals business.”

Source: economictimes.indiatimes.com



Half of Global Platinum Output Threatened By Labor Disputes

(NHM) (IMP) (LMMI) (AMS):

The South African platinum sector could face trouble this year as rival unions threaten to strike against the world’s biggest producers of the white metal. An upcoming strike will only add to a tumultuous period for producers and workers in the world’s platinum belt.

Northam Platinum Ltd.(SJ:NHM), Impala Platinum Holdings Ltd. (SJ:IMP), Lonmin PLC (LN:LMMI) and Anglo American Platinum (SJ: AMS) are all facing possible or ongoing strikes from the two major mining workers’ unions. A simultaneous hit to these companies would make no small impact. They are among the world’s biggest producers of platinum -- responsible for more than half of global output, according to Reuters.

Source: www.ibtimes.com





नये साल की पहली छमाही में बहुमूल्य धातुओं पर पूर्वानुमान

हॅराउस

यूरो/डॉलर

जन.-जून: 1.3200 हाई: 1.3900 लो:
1.2750 टारगेट: 1.3000

यूरो/डॉलर में साल 2013 के दौरान उम्मीद से ज्यादा मजबूती देखी गयी है। मुख्य रूप से इसके पीछे अमेरिकी फेडरल रिजर्व (फेड) के द्वारा अपने मॉनीटरी पॉलिसी को लेकर असमंजस तथा यूरोपीयन संकट के उबरने में देरी होना प्राथमिक कारण थे। टेपरिंग या प्रोत्साहन पैकेज में कमी, जो कि अभी अस्तित्व में आया है, के चलते डॉलर में फिर से रैली की हमें संभावना नहीं लगती है। इसके विपरीत, प्रत्येक फेड रिजर्व की बैठक में क्वांटिटेटिव इजिंग (क्यू.ई.) को धीरे-धीरे कम करने की संभावनाओं पर विचार-विमर्श होता रहा है और हर बार नये सिरे से ही फैसला हुआ है।

बाजार की आम सहमती के अनुसार यूएस में ब्याज की दर वर्तमान स्तर के अनुरूप (0-0.25%) कम ही रहेंगी तथा ये अगले दो सालों तक स्थिर रह सकती है। ऐसी ही संभावना यूरो ब्याज दर (0.25%) के बारे में भी लगायी जा रही है। वैसे ब्याज दरों में अंतर होने से भी डॉलर को कोई फायदा नहीं मिलेगा। फिर भी फेड ने यह, प्रोत्साहन

पैकेज में कमी करने का, असाधारण कदम उठाया है, वहीं दूसरी ओर ईसीबी ने अपने इरादे जाहिर नहीं किये हैं यदि ये भी फेड के जैसा ही कोई निर्णय लेते हैं तो इससे यूरोपीयन संकट और भी गहरा जायेगा। फलतः डॉलर को फायदा मिलेगा। इसके अतिरिक्त, यूएस की साल 2013 की तीसरी तिमाही के दौरान जीडीपी ग्रोथ दर 4.1% रही जबकि यूरोप में यह महज 0.1% ही थी। हमें ऐसा लगता है कि इस साल आगे चलकर यूरो और भी कमजोर हो सकती है। इस मुद्रा को 1.2750 के स्तर पर मजबूत सपोर्ट है जो साल 2013 का न्यूनतम स्तर था और यह कई बार इस स्तर को छू गया है। उपर के स्तर पर 1.3900 से आगे जाने पर कुछ संभावना हो सकती है।

सोना

जन.-जून: 1290 \$/ओज़ हाई: 1390
\$/ओज़ लो: 1175 \$/ओज़

साल 2013 में सोने के आस-पास के वातावरण में काफी परिवर्तन देखने को मिला है तथा इस धातु ने एक नये शर्त के साल की शुरुवात की है। जबसे सभी कारणों, जिसने पिछले दशक से सोने को प्रभावित कर रखा था, की दीवार ढहनी शुरू हुई तो

इससे सोने में 12 सालों बाद गिरावट देखने को मिली।

सबसे पहले प्रोत्साहन पैकेज में कमी (टेपरिंग) की शुरुवात जनवरी 2014 से हुई जो कि चीप-मनी पॉलिसी को नियंत्रित करने हेतु पहला कदम था। इसके साथ ही पिछले सालों के दौरान तेजी की धारणा बढ़ाने वाला दौर खत्म हो गया। कुछ और समय तक वित्तीय उपायों में कमी लाने की चर्चा हम करते रहेंगे। हाल में लिये गये हर महीने 75 मिलियन डॉलर की बाँड खरीदी में कमी के निर्णय के बावजूद भी यूएस में क्यू.ई. एक बड़ी योजना है तथा इसमें और भी कमी करने की पर्याप्त गुंजाइश है। हालांकि जब तक फेड के मुखिया जेनेट येलन बने रहेंगे निर्णयकर्ताओं को क्यू.ई. उपाय के समर्थक के साथ मशक़त जारी रखनी पड़ेगी।

टेपरिंग या प्रोत्साहन पैकेज में कमी करने का समय निश्चित करने के लिये लंबे समय तक चले विरोधाभासी विचार विमर्श के दौरान इसके प्रभाव का बहुतायत हिस्सा बाजार में भुनाया जा चुका था। फिर भी यूएस के आर्थिक आंकड़े आगे भी केन्द्र बिंदु में बने रहेंगे। यूएस अर्थव्यवस्था की

स्थायी बहाली से डॉलर को फायदा मिलेगा जिससे कि सोने पर और भी दबाव बढ़ेगा।

ऐसे हालातों में लाभपरक निवेशक सोने पर से अपना नजरिया शायद न बदलें। इसी तरह की संभावना गोल्ड-ईटीएफ में है, हालांकि यह उम्मीद की जा सकती है कि इस साल इसकी कुल मात्रा पिछले साल के मुकाबले कम रहेगी। सोने को सेफ हेवन मानने का दृष्टिकोण अभी के समय में बदल गया है। इसके अलावा यूएस अर्थव्यवस्था में बहाली के संकेत, यूरोपीय संकटग्रस्त देशों द्वारा अपनी बचत योजना के क्रियान्वयन ने इस भारी संकट के डर को कुछ हद तक कम करने में सहायक हुआ है। अत्यधिक धन की आपूर्ति के चलते मुद्रा-स्फीति या इन्फ्लेशन की आशंका भी असत्य साबित हुयी है तथा यह इस धातु की कमजोर चालक भी रही। पिछले सालों के दौरान प्रचलित जोखिम से बचने की नीति अब के साल में फिर से ज्यादा जोखिम वाली परिसंपत्तियों वर्गों जैसे कि शेयर या इक्विटी की ओर बदल रही है।

बहुमूल्य धातुओं के भौतिक या फिजिकल खरीदार या निवेशक अभी भी इससे जुड़े हैं तथा भाव में कमी का भरपूर लाभ उठा रहे हैं। ये हालांकि ईटीएफ के आउटफ्लो को बराबर करने के साथ ही यह चलन में परिवर्तन लाने के लिये नाकाफी है।

पिछले साल चीन, में सोने की भारी मांग, ने ईटीएफ के आउटफ्लो को कुछ हद तक संतुलित किया था। इसके चलते सोना कमजोरी से मजबूती की ओर रुख कर सका। वैसे चीन में साल 2013 के दौरान सोने की भौतिक मांग ने सोने के समर्थन में निर्णायक भूमिका निभायी थी। लेकिन इस साल 2014 में ऐसे ही किसी समान रुख की उम्मीद नहीं है, हालांकि चीन सोने की मांग में समर्थन का एक महत्वपूर्ण स्तंभ बना रहेगा। भारत की अपेक्षा चीन सोने का

सबसे ज्यादा खपत करने वाला देश बना रहेगा। क्या भारत में सोने पर लागू आयात ड्यूटी कम होनी चाहिये? जो कि उम्मीदों के विपरित है, और यदि ऐसा होता है तो सोने की मांग में खासी बढ़ोत्तरी की उम्मीद की जा सकती है।

सेन्ट्रल बैंकों ने तयशुदा खरीदी की हालांकि पिछले सालों की अपेक्षा उतनी मजबूत नहीं थी। हमें आशा है कि यह रुख साल 2014 में भी जारी रहेगा। यूएस डॉलर तथा वैश्विक अर्थव्यवस्था में मजबूती की संभावना इस तथ्य का समर्थन करती है।

आपूर्ति के ओर से, रिसायकलिंग सेक्टर के मूड में किसी प्रकार का बदलाव दिखायी नहीं दे रहा है। केवल कीमतों में तेजी आने ही स्क्रेप (पुराने) सोने की बिक्री में इजाफा देखने को मिल सकता है। अगर हम इस बाजार की विवेचना करें तो देखेंगे कि स्क्रेप सोने की सप्लाई में कमी इसकी कीमतों में, अप्रैल 2013 के दौरान, गिरावट से शुरू हुई है न कि बड़े स्टॉक स्तर के कारण। स्क्रेप की सप्लाई में आयी कमी से बाजार में 999.9 शुद्धता के भौतिक सोने की उपलब्धता में जैसी कमी आयी है वैसे ही इसके आयात में प्रीमियम भी बढ़ा है। प्राथमरी उत्पादन में हल्की बढ़त की उम्मीद की जा सकती है। पिछले सालों के दौरान सोने की कीमतों में तेजी से इसके नये खोजों में निवेश को बढ़ावा दिया था।

सोने की कीमतों में गिरावट को देखते हुये पिछले साल कुछ खान उत्पादकों ने, सीमित मात्रा में, अपने भविष्य के उत्पादन की वायदा बिक्री कर रखी थी। हालांकि इस गतिविधि से किसी निरंतर प्रभाव की उम्मीद नहीं है।

सोने के कीमतों का लगातार 1200 डॉलर प्रति औंस के आस-पास आकर टिकना एक क्षण के लिये ऐसा प्रतीत कराता है कि इस स्तर पर एक सतह का निर्माण हो गया है।

हालांकि उपरोक्त दिये कारणों के चलते सोने की कीमत अस्थायी समय के लिये 1175 डॉलर प्रति औंस तक इस साल के पहले छमाही के दौरान नीचे आ सकता है। उपरी स्तर पर मध्यम-अवधि के लिये कीमतों में तेजी की संभावना है। हमारे अनुसार 1390 डॉलर प्रति औंस साल 2014 का उपरी स्तर हो सकता है।

चांदी

जन.-जून: 19.50 \$/ओज़ हाई: 23 \$/
ओज़ लो: 17 \$/ओज़

पिछले 30 सालों के दौरान सबसे खराब दौर (-35%) से गुजरने के बाद चांदी की कीमतों में नये साल की शुरुवात से दबाव देखा गया है। हालांकि मध्यम अवधि के दौरान कुछ कारणों के चलते चांदी को सहारा मिल सकता है तथा कीमतें उच्च स्तर तक जा सकती है।

कारणों की शुरुवात में, एक औद्योगिक उत्पादन होने के नाते यूएसए की अर्थव्यवस्था में सुधार आने से चांदी की मांग में इजाफा हो सकता है। साथ ही आने वाले सालों में नैनो टेक्नोलॉजी तथा इलेक्ट्रॉनिक्स उद्योगों में चांदी के घटकों का नये तथा विविध अनुप्रयोगों में उपयोग इसकी मांग में और इजाफा कर सकता है।

इसके अलावा, फोटो-वोल्टिक क्षेत्र की रिकवरी चांदी की कीमतों को स्थिर करने में सहायक सिद्ध हो सकती है। चांदी की कम कीमतों से इस क्षेत्र को लाभ मिलेगा क्योंकि इससे चांदी के विकल्प खोजने तथा पेस्ट में चांदी की मात्रा कम करने का दबाव कुछ हद तक कम होगा।

औद्योगिक मांग के अलावा, छोटे निवेशक इस धातु के प्रति निष्ठावान बने रहेंगे, चांदी के सिक्कों की स्थिर मांग बनी रह सकती है जो कि निःसंदेह इसकी नीची कीमतों

से लाभांशित होंगे। साथ ही भारत से चांदी में निवेश की मांग को भी नजरअंदाज नहीं किया जा सकता है। चूंकि नये प्रतिबंधों तथा आयात कर में वृद्धि के चलते सोने का आयात भारत में काफी महंगा हुआ है, सोने की पारम्परिक मांग करने वाला एक धड़ा चांदी में प्रतिस्थापित हो गया है। आज के इन हालातों में यह दौर आगे भी जारी या और भी मजबूत हो सकता है।

दूसरी ओर, संस्थागत निवेशकों तथा ईटीएफ धारकों की इच्छा ऐसी दिखती है कि, भौतिक रूप से रखे चांदी पर आधारित कारोबारिक निवेश फंडों के साल 2013 में रिकॉर्ड ऊंचाई पर पहुंचने के बाद, वे कुछ समय के लिये संतुष्ट हो सकते हैं। इसलिये ऐसा नहीं लगता है कि ईटीएफ की मांग इसी स्तर पर रहेगी। ज्यादा संभावना है कि, जैसा सोने में हुआ है, इस परिसंपत्ति वर्ग से निवेशक बाहर चले जायेंगे। इन पोजिशनों का लिक्विडेशन निश्चित रूप से चिंता का कारण बनेगा तथा यह चांदी की जरूरत से ज्यादा सप्लाई को संरचनात्मक रूप से परिवर्तित करेगा।

सोने के समान ही, यूएस द्वारा प्रोत्साहन पैकेज में कमी करने से 'सेफ-हेवन' होने का जो प्रभाव खत्म हुआ है, चांदी भी इससे अछूता नहीं रह सकता। हालांकि अर्थव्यवस्था में सकारात्मक बदलाव आने से यह प्रभाव कुछ मामूली हो सकता है।

इन परिस्थितियों में चांदी में कमजोरी का रुख दिखायी देता है। इसमें गिरावट का रुख अभी थमा नहीं है और यह लगता है कि कीमतों में एक बड़ा सुधार आ सकता है। हमें लगता है कि साल 2014 के पहली छमाही में चांदी 18.21 डॉलर प्रति औंस के नीचले स्तर तक आ सकती है। कीमतें अगर इस स्तर के नीचे जाती हैं तो यह गिरावट 17 डॉलर प्रति औंस तक

जारी रह सकती है। 23 डॉलर प्रति औंस पर हमें रेजिस्टेंस दिखायी देता है।

सभी को यह हमेशा ध्यान रखना चाहिये कि बाजार का रुझान या सेंटिमेन्ट्स शीघ्रता से बदल सकता है, हो सकता है कि यूएस टेपरिंग या यूरोपीयन संकट थम जाये तथा यूएस बजट पर गर्मागर्म बहस छिड़ जाये।

प्लेटिनम
जन.-जून: 1450 \$/ओज हाई: 1650
\$/ओज लो: 1300 \$/ओज

तीन प्रमुख मानदंडों ने प्लेटिनम की कीमतों को साल 2013 में प्रभावित किया था तथा ये इस साल भी अपना प्रभाव जारी रखेंगे।

दक्षिण अफ्रीका की परिस्थिति पहला कारण या मानदंड है, विश्व के सबसे बड़े प्लेटिनम उत्पादक 'एंग्लो अमेरिकन प्लेटिनम' ने 3300 कर्मियों की छटनी करने का फैसला किया है जो कि उत्पादन में कमी का कारण बनेगा। साल 2012 में हुये खूनी हड़ताल के बाद वर्तमान में स्थिति कुछ हद तक सामान्य हुयी है। इस कारण से प्लेटिनम की कीमतों में किसी स्थायी वृद्धि, जो कि लगातार हड़ताल के चलते हुई, होने की संभावना बल्कि नहीं है। स्थानीय विद्युत बोर्ड 'एस्कॉम' द्वारा बिजली की कीमतों में बढ़ोतरी का कुछ प्रभाव जरूर ही प्लेटिनम की कीमतों पर पड़ेगा। हाल में, रख-रखाव के कार्य के लिये, एस्कॉम ने बड़े उद्योगों जिनमें प्लेटिनम खदानें भी शामिल हैं को बिजली मांग में कमी लाने का अनुरोध किया है।

प्लेटिनम की औद्योगिक मांग एक और महत्वपूर्ण कारण है। प्लेटिनम को केटलिस्ट के रूप में डीजल से चलने वाले वाहनों के ऑटो-केटलिस्ट में मुख्यतः यूरोपीय देशों में किया जाता है। ऑटोमोबाइल सेक्टर अकेले प्लेटिनम की कुल मांग का

40 फीसदी खपत करता है। यूरोप में साल 2013 के दौरान ऑटोमोबाइल की बिक्री कमजोर थी हालांकि इसके साल 2014 में सुधरने की संभावना है। यूरो 4 तथा टायर 4 जैसे कड़े उत्सर्जन नियमों के लागू हो जाने से प्लेटिनम की मांग बढ़ सकती है। इसके साथ ही इलेक्ट्रॉनिक्स, केमिकल तथा ग्लास उद्योगों से मांग में बराबर विकास हो रहा है। इन सभी के चलते वर्तमान में रखे बड़े प्लेटिनम स्पंज स्टॉक के साल 2014 में संभवतया कमी हो सकती है। हाल के सप्ताहों के दौरान प्लेटिनम स्टॉक में कमी देखी गयी है।

हमारा यह सोचना है कि निवेश की मांग भी एक महत्वपूर्ण कारण है। यहां अब्सा केपिटल ईटीएफ का जिक्र करना वाजिब होगा। इसके अंतर्गत, आश्चर्यजनक रूप से, एक ही साल में 900,000 औंस से ज्यादा प्लेटिनम अर्जित हुई जिसने प्लेटिनम की कीमतों में और गिरावट को थामे रखा। जॉन्सन मेती के कहे अनुसार प्लेटिनम की औद्योगिक तथा ईटीएफ निवेश की सकल मांग सप्लाई में बनी 600,000 औंस की कमी का मुख्य कारण है। इसके विपरीत, थॉमसन रॉयटर्स जीएफएमएस के अनुसार बाजार में इसी दौरान 71,000 औंस प्लेटिनम की अतिरिक्त सप्लाई भी हुई थी।

सार में, दक्षिण अफ्रीका के हालात तथा सकारात्मक औद्योगिक मांग का परिदृश्य से हमें प्लेटिनम में काफी समर्थन दिखायी देता है जो कि कुछ लिहाज से तेजी का कारण हो सकती है। इसके अलावा, गिरती कीमतों से प्लेटिनम की खदानों को फिजिबिलिटी की समस्या हो सकती है जो बदले में कीमतों को सपोर्ट करेंगी।

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Bullion - Data & Statistics

Gold Spot Market, International (Per Troy Ounce)			
Spot gold	01 st Jan	24 th Jan	% Change
Australia(AUD)	1341.76	1367.34	1.89
Britain(GBP)	747.18	735.64	-1.56
Canada(CAD)	1301.39	1298.20	-0.25
Europe(Euro)	903.13	881.68	-2.40
Japan(Yen)	125898.38	127542.34	1.30
Switzerland(CHF)	1111.12	1080.82	-2.76
USA(USD)	1223.07	1212.94	-0.83

Silver Spot Market, International (Per Troy Ounce)			
Spot Silver	01 st Jan	24 th Jan	% Change
Australia(AUD)	21.96	22.92	4.27
Britain(GBP)	11.76	12.17	3.48
Canada(CAD)	20.79	22.05	5.88
Europe(Euro)	14.17	14.54	2.54
Japan(Yen)	2058.50	2034.48	-1.17
Switzerland(CHF)	17.40	17.79	2.19
USA(USD)	19.53	19.89	1.85

Monthly Exchange Data (Gold) (From Jan 01-24)						
Exchange	Commodity	Open	High	Low	Close	% Ch.
MCX ¹	Gold Apr'14	27772.00	29035.00	27609.00	28813.00	3.64
NCDEX ¹	Gold Apr'14	27680.00	28815.00	27680.00	28815.00	3.69
ICEX ¹	Gold Apr'14	27000.00	29500.00	27000.00	28644.00	3.06
COMEX ²	Gold Apr'14	1204.00	1273.20	1203.70	1264.50	4.99
TOCOM ³	Gold Apr'14	4165.00	4221.00	4140.00	4189.00	2.25

1- Rs/10 gms, 2- \$/oz, 3- Jpy/gm

Fortnightly Exchange Data (Silver) (From Jan 01-24)						
Exchange	Commodity	Open	High	Low	Close	% Ch.
MCX ¹	Silver Mar'14	43870.00	45740.00	43600.00	44691.00	1.94
NCDEX ¹	Silver Mar'14	43889.00	45459.00	43889.00	44711.00	2.22
ICEX ¹	Silver Mar'14	43890.00	47288.00	42668.00	44692.00	1.86
COMEX ²	Silver Mar'14	19.44	20.67	19.31	19.77	2.02
TOCOM ³	Silver Apr'14	67.40	68.10	66.30	66.40	-0.90

1- Rs/kg, 2- \$/oz, 3- Jpy 0.1/gm

Gold Spot Market, India			Rs/10gm
Spot Gold	01 st Jan	24 th Jan	% chg
Delhi	1355.74	1461.63	7.52
Mumbai	727.26	770.12	5.73
Bangalore	1283.90	1407.87	9.22
Chennai	875.94	927.10	5.68
Kolkata	127013.14	129773.90	2.15
Hyderabad	1074.71	1134.87	5.45
Ahmedabad	1205.50	1268.70	5.11

Currency Change (Monthly)		
	01 st Jan	24 th Jan
EUR/USD	1.3766	1.3677
USD/JPY	105.33	102.34
USD/INR	61.89	62.66
USD/AUD	1.1248	1.1516
USD/GBP	1.6578	1.6481

Silver Spot Market, India			Rs/kg
Spot Silver	01 st Jan	24 th Jan	% chg
Mumbai	43750.00	45570.00	4.08

GOLD Forward Offer Rate (GOFO)		
	02 nd Jan	24 th Jan
1m	-0.02000	0.03333
2 m	-0.00500	0.04500
3 m	0.00667	0.05167
6 m	0.06167	0.09500
1 y	0.15833	0.16000

Silver Forward Offer Rate (SIFO)		
	02 nd Jan	24 th Jan
1m	NA	NA
2 m	NA	NA
3 m	NA	NA
6 m	NA	NA
1 y	NA	NA

Bullion - Data & Statistics

GOLD LEASE RATE			SILVER LEASE RATE		
	02 nd Jan	15 th Jan		02 nd Jan	15 th Jan
1m	0.18830	0.00400	1m	NA	NA
2 m	0.21750	-0.00600	2 m	NA	NA
3 m	0.23618	-0.01800	3 m	NA	NA
6 m	0.28473	-0.05200	6 m	NA	NA
1 y	0.42427	-0.15600	1 y	NA	NA

LONDON FIXING (Per Troy Ounce)										
GOLD AM			GOLD PM			SILVER PM				
DATE	USD	GBP	EUR	USD	GBP	EUR	DATE	USD/cent	GBP/Pence	EUR/cent
01/02/2014	1219.75	737.05	888.84	1225.00	745.41	897.44	01/02/2014	1994.00	1206.88	1456.96
01/03/2014	1232.25	748.45	903.01	1234.50	752.56	907.52	01/03/2014	2018.00	1226.15	1479.47
01/06/2014	1238.00	756.54	909.56	1246.25	758.94	914.21	01/06/2014	2004.00	1223.82	1472.99
01/07/2014	1237.50	754.44	907.92	1227.50	748.89	901.18	01/07/2014	2002.00	1219.62	1467.53
01/08/2014	1226.50	747.37	902.50	1221.00	742.07	897.60	01/08/2014	1952.00	1188.29	1437.09
01/09/2014	1226.00	744.97	900.61	1226.00	744.97	903.46	01/09/2014	1954.00	1186.54	1436.66
01/10/2014	1232.25	750.78	906.53	1244.25	754.14	909.67	01/10/2014	1980.00	1206.21	1456.31
01/13/2014	1246.00	757.86	911.89	1248.00	762.56	914.15	01/13/2014	2009.00	1221.72	1469.86
01/14/2014	1248.75	760.97	913.10	1251.50	761.95	915.11	01/14/2014	2027.00	1233.64	1481.94
01/15/2014	1238.00	753.91	908.56	1236.00	757.21	909.96	01/15/2014	2009.00	1222.99	1475.36
01/16/2014	1237.25	757.19	908.61	1241.50	758.26	910.39	01/16/2014	2000.00	1224.14	1469.40
01/17/2014	1241.00	754.68	912.63	1250.00	760.53	920.95	01/17/2014	2001.00	1217.15	1471.76
01/20/2014	1254.75	763.32	925.88	1255.75	764.12	926.00	01/20/2014	2029.00	1234.64	1496.86
01/21/2014	1247.75	758.93	922.01	1238.00	751.81	914.73	01/21/2014	2003.00	1220.45	1481.51
01/22/2014	1239.50	749.67	915.57	1241.00	749.13	915.19	01/22/2014	1987.00	1200.60	1465.88
01/23/2014	1244.25	749.91	912.88	1263.00	760.71	924.19	01/23/2014	2011.00	1211.66	1475.21
01/24/2014	1259.25	757.40	920.44	1267.00	768.21	925.90	01/24/2014	2019.00	1215.31	1471.57

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