Volume 5 Issue 12 December 2015

Price Rs 50

Bullion Bulletin™

Information Insights for Bullion Business

a Product of Foretell Business Solutions

06 Editor's Note

07 Gold in Ontario-An Opportunity to Invest in Canada's Mines, Devin Cranston Ontario Ministry of Northern Development and Mines and Debajit Saha, Bullion Bulletin

10 Chinese Gold Market is Still Very Strong Jeremy East, Standard Chartered Bank

14 World Gold Council Year-End Forecast: Consumer Demand Steady: China's industry - Shaping the Future of the Gold Market Roland Wang, WGC China

18 China Gold Demand November 2015 Dahdah Bernard, Natixis London

20 Silver Institute Press Release- Thomson Reuters Releases Interim Silver Market Review

22 GJF will Work Hard to Bring in Utmost Transparency, Sreedhar G V, GJF

24 ABS Monthly-Allocated Bullion Solutions

36 जीजेएफ़ अधिकतम पारदर्शिता लाने के लिये प्रतिबद्ध

39 Data & Statistics



valcambi suisse

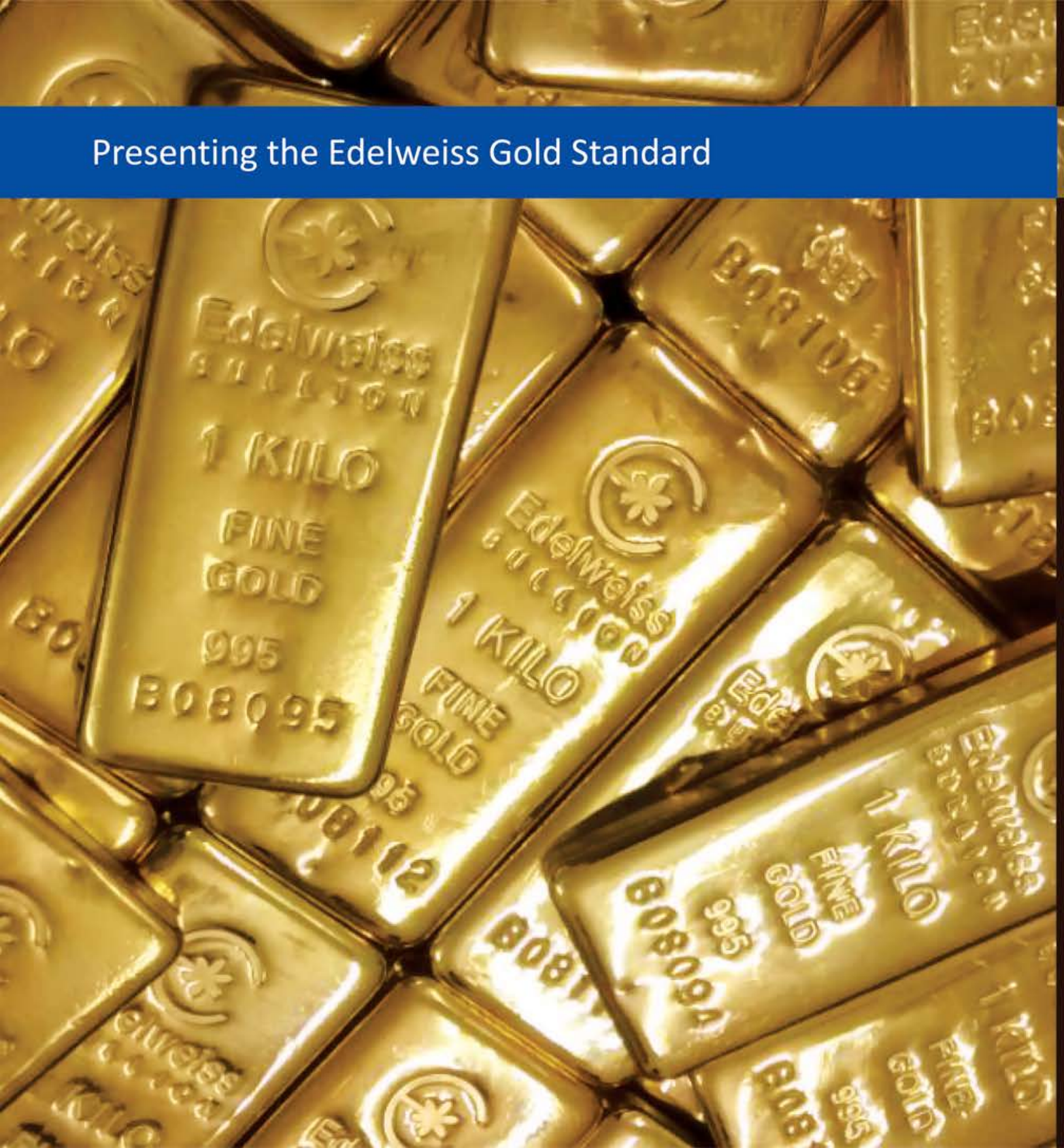
SAVE YOUR DATES

5th DUBAI PRECIOUS METALS CONFERENCE 2016

10-12 April 2016, Dubai

www.dpmc.ae

Presenting the Edelweiss Gold Standard



Edelweiss BULLION

Edelweiss Gold Refinery:

- Equipped with state-of-the-art technology
- Environmentally sustainable unit
- World class quality standards
- Ability to treat variety of raw material
- Pan India distribution network
- Responsible sourcing standards
- Strong brand goodwill

Services Offered:

- Refining services
- Laboratory services
- Vaulting services

The Edelweiss Advantage:

- **Best Prices:**
  Get the most competitive prices in the market
- **Flexibility of choosing the currency for rate fixing:**
  Get quotes in dollar and rupee making it convenient to decide your currency preference for rate fixing
- **Smaller lot sizes, bigger convenience:**
  Buy bullion even in lot sizes as small as 1 kg, just in case you don't have a requirement for a bigger lot at the time
- **Continuous and consistent supply:**
  An efficient stocking system ensures assured supply throughout the year
- **Dedicated and professional customer service:**
  Find innovative solutions to bullion purchase problems that ensures you get the best deals at all times
- **Wide Network - The Edelweiss Group:**
  Edelweiss Bullion has a strong network to deliver bullion across India so that you receive the delivery of bullion at the location nearest to you

Edelweiss
Ideas create, values protect

Edelweiss House, Off CST Road, Kalina, Mumbai 400098

AL ETIHAD GOLD

www.aletihadgold.com

PURITY & QUALITY AT ITS BEST

Al Etihad Gold means a brand of quality, trust and value
that can be summarized by its achievements.



P.O. Box 283648
Tel: +971 4 3419084
Fax: +971 4 3419085
Web: www.aletihadgold.com


Go beyond
join the world class
valcambi
suisse
1 oz
fine gold
999,9
CHI ESSAYEUR FONDEUR
AA000001
50 g
fine gold
999,9
CHI ESSAYEUR FONDEUR
AA012083
valcambi
suisse



TM
Bullion Bulletin

Volume 5 • Issue 12 • December 2015

PRESIDENT
G Srivatsava

VICE PRESIDENT
Vinayak Meharwade

ASST. VICE PRESIDENT
Abhinaya

EDITOR
Debajit Saha

SUB EDITOR
Shruthi

HINDI EDITOR
Vinay Soni

DESIGNER
Radhika
Praveen

WEB DESIGN
Manivannan

CIRCULATION
Shivakumar
Jaisheelan

DATA SUPPORT
Gajendra

ADVISORY BOARD
Bhargava Vaidya
S K Jindal
Franco Bosoni

PUBLISHING OFFICE
Foretell Business Solutions Pvt Ltd
#146, 1-2 Floor, Gopal Towers
Ramaiah Street, HAL Airport Road, Kodihalli
Bangalore - 560008

Tel: + 9180 25276152/53, Fax: + 9180 25276154
Email: info@bullionbulletin.in, abhinaya@fbspl.com
Web: www.bullionbulletin.in, www.fbspl.com

Printed, Edited & Published and owned by G. Srivatsava, published from No.146, 1st Floor, Gopal Towers, Ramaiah Street, HAL Airport Road, Kodihalli, Bangalore - 560 008, Printed at Hamsanikethan Printers, No. 126, CT Bed, Banashankari 2nd Stage, Bangalore - 560070.

Dear Readers,



Dear Readers,
November remained one of the most exciting months for India's gold industry. Prime Minister Shri Narendra Modi launched gold schemes on November 5. Since then, media remained curious to know the outcome of the schemes. To be honest, sovereign gold bond scheme did fairly well with total subscription value amounting to Rs.246 crore, or in gold terms, it is 916 kg. This will certainly encourage government and RBI to announce the next tranche in due course. Banks did not get enough time to market the product, and the price of the bond was an issue raised in the media as gold price had come down by a few percentage points after the price of the bond was fixed.

Gold monetization scheme has not taken off yet, with only 400 gm getting collected so far. People and media must remain patient till technical issues are resolved. Government and industry participants are working on it and I am confident that this scheme will take off as well in due course.

Ontario, Canada, produces half of Canada's gold. The Ontario Ministry of Northern Development and Mines (MNDM) is aiming to provide a business climate that encourages competitiveness and investment in Northern Ontario and is working diligently to generate new wealth and benefits by supporting Ontario's mineral exploration, mining, mining supply and services and geoscience sectors. India is Canada's largest trade partner in South Asia. It will be a wonderful opportunity for Indian gold refiners to engage with Canadian mines and ensure uninterrupted supply of dore in future.

World Gold Council estimates that China's gold demand will remain around 900 to 1000 tonnes in 2015, same as 2014. Though economy of the country has slowed down, WGC still expects that China will continue to be a major player in the global gold market, and optimistic about demand surge in coming seasons.

Interim silver market review released by Thomson Reuters GFMS, shows that total silver supply is expected to fall by 3% from the previous years. Mine supply has increased from primary region like Mexico, but partially offset by losses from silver output from base metals mines. The silver market is expected to be in an annual physical deficit of 42.7 Moz in 2015.

Best Wishes

Debajit Saha
Editor

Gold in Ontario – An Opportunity to Invest in Mines

Devin Cranston, Ontario Ministry of Northern Development and Mines
Debajit Saha, Editor, Bullion Bulletin



Overview

Ontario is the economic powerhouse of Canada and home to some of the most successful gold mining camps in the world. Northern Ontario cities such as Red Lake, Timmins and Kirkland Lake are synonymous with some of the most famous gold mining regions in North America and indeed the world.

The Superior Province is largest of the world's Archean Cratons which underlies about 80% of Ontario's landmass. It has a unique geo-tectonic history which endowed it with rich deposits of precious metals.

Rich geological resources combined with provincial efforts to create a positive business climate for mineral exploration has led to Ontario being identified as one of the best places in the world for mineral sector investment.

An in depth analysis of Ontario's gold reserves and capability to produce in the next 15-20 years

Lets quickly look at the capacity of Ontario's gold reserve and capability to produce in the next 15 to 20 years down the line. To date, Ontario has produced over 183 million ounces (5200 tonnes) of gold valued, based on 2014 dollars, at over CAD $106 billion. In 2014 Ontario produced over 2.4 million ounces (75.5 tonnes) of gold valued at CAD $3.4 billion. There are currently 16 gold mines operating in Ontario. All of these mines produce gold dore bar. The dore bar reports to both domestic and international refineries for further processing. 10 new gold mines have opened in Ontario within the last 10 years. In addition there are currently 19 advanced stage gold projects and of these, 5-7 are expected to open in the next several years. Ontario's gold reserves have increased significantly over the last number of years and they now sit at approximately 1100 tonnes. It should be noted that this figure includes only the "proven and probable" categories of operating gold mines. It would be substantially higher if the gold reserves and resources of advanced exploration projects were included.

The Ontario Ministry of Northern Development and Mines (MNDM) aims to provide a business climate that encourages competitiveness and investment in Northern Ontario and works diligently to generate new wealth and benefits by supporting Ontario's mineral exploration, mining, mining supply and services and geoscience sectors.

To date, Ontario has produced over 183 million ounces (5200 tonnes) of gold valued, based on 2014 dollars, at over CAD $106 billion. In 2014 Ontario produced over 2.4 million ounces (75.5 tonnes) of gold valued at CAD $3.4 billion. There are currently 16 gold mines operating in Ontario. All of these mines produce gold dore bar.

Ontario Producing Gold Mines

Mine	Company
Bell Creek Mine	Lake Shore Gold Corp.
Black Fox Mine	Primero Mining Corp.
Detour Lake Gold Mine	Detour Gold Corp.
Dome Mine	Goldcorp Inc. - Porcupine Gold Mines
Eagle River Mine	Wesdome Gold Mines Ltd.
Hemlo Mine	Barrick Gold Corp.
Hollinger Mine	Goldcorp Inc. - Porcupine Gold Mines
Holloway-Holt Mine	St Andrew Goldfields Ltd.
Hoyle Pond Mine	Goldcorp Inc. - Porcupine Gold Mines
Island Gold Mine	Richmont Mines Inc.
Macassa Mine	Kirkland Lake Gold Inc.
Mishi Gold Mine	Wesdome Gold Mines Ltd.
Musselwhite Mine	Goldcorp Inc.
Red Lake Gold Mines	Goldcorp Inc.
Timmins West Mine	Lake Shore Gold Corp.
Young-Davidson Mine	Alamos Gold Inc.

Advanced Stage Gold Projects in Ontario

Company	Project
Agnico-Eagle Mines Ltd./ Yamana Gold Inc.	Hammond Reef
Agnico-Eagle Mines Ltd./ Yamana Gold Inc.	Upper Beaver
Argonaut Gold Inc.	Magino
Chalice Gold Mines Ltd.	Cameron Gold
Gold Canyon Resources Inc.	Springpole Lake
Goldcorp Inc.	Cochenour
Gowest Gold Ltd.	Bradshaw
Harte Gold Corp.	Sugar Zone
IAMGOLD Corp.	Cote Gold
Kerr Mines Inc.	McGarry
Moneta Porcupine Mines Inc.	Golden Highway
New Gold Inc.	Rainy River Gold
Northern Gold Mining Inc.	Garrison
PC Gold Inc.	Pickle Crow
Premier Gold Mines Ltd.	Brookbank
Premier Gold Mines Ltd.	Hardrock Gold
Rubicon Minerals Corp.	Phoenix
St Andrew Goldfields Ltd.	Taylor
Treasury Metals Inc.	Goliath

The role of the Ontario Ministry of Northern Development and Mines

The Ontario Ministry of Northern Development and Mines (MNDM) aims to provide a business climate that encourages competitiveness and investment in Northern Ontario and works diligently to generate new wealth and benefits by supporting Ontario's mineral exploration, mining, mining supply and services and geoscience sectors. As the lead Ministry for North, the Ministry of Northern Development and Mines works to make Northern Ontario and the provincial minerals sector strong, healthy and prosperous. The Ministry also supports responsible land use management and mineral resources development by administration of the Mining Act and by providing public geoscience information and client services.

Regulations in Canada - How is it conducive for investors to invest in Canadian mines?

Ontario welcomes foreign investment in its mineral sector. The province is among the world's most open jurisdictions in terms of investment in mining and there are no restrictions on foreign involvement. Ontario is home to the Toronto Stock Exchange which is number

Ontario welcomes foreign investment in its mineral sector. The province is among the world's most open jurisdictions in terms of investment in mining and there are no restrictions on foreign involvement. Ontario is home to the Toronto Stock Exchange which is number one globally in terms of mining equity capital raised and the number of listed mining companies.



one globally in terms of mining equity capital raised and the number of listed mining companies. In fact around 65% of all equity capital raised globally for mining is done so through the Toronto Stock and Venture Exchange. Canada is economically stable, has a dynamic market place and has one of the world's soundest banking systems. Needless to say, there are a broad range of transparent and sophisticated financial and legal institutions in Ontario that support the mineral exploration and mine development sectors in Ontario. There are numerous options available for those that wish to participate in Ontario's gold mining.

What Ontario could offer to India?

India is the largest consumer of gold along with China in the world. But India does not have mines and it basically relies on import of refined gold to meet its domestic demand. Of late, many refineries have come, but these refineries have been facing difficulty to source 'dore' overseas. There lies the risk of sourcing 'dore' from small mines from many geographic locations for multiple factors, while large miners prefer to supply dore only to big refiners, preferably LBMA approved. So, sourcing 'dore' is not an easy task in hand.

Ontario is the one destination which could supply dore continuously with no risk involved, as Canada is one of the largest mining destinations of many minerals in the world and its policy and regulations are absolutely robust. Very surprisingly only 55,000 ounces (1.56 tonnes) of gold, with a value of CAD $63.4 million, was exported from Ontario to India in 2014. With amount of reserves the region has currently (1100 tons), and amount of reserves it has in advanced exploration projects, it could supply uninterruptedly to India for many years, and will cut down the concern of refiners to a large extent.

Very surprisingly only 55,000 ounces (1.56 tonnes) of gold, with a value of CAD $63.4 million, was exported from Ontario to India in 2014. With amount of reserves the region has currently (1100 tons), and amount of reserves it has in advanced exploration projects, it could supply uninterruptedly to India for many years, and will cut down the concern of refiners to a large extent.

There lies also the advantage of Indian refiners to source dore from Canada on the ground that India is Canada's largest trading partner in South Asia. India is a priority emerging market for Canada and one of Canada's top three source countries for immigration. India is a long standing bilateral partner with Canada with a partnership based on shared values and enriched by strong people-to-people ties.



Disclaimer: Views are personal and not the views of the publisher.

Chinese Gold Market is Still Very Strong

Jeremy East, Managing Director, Global Head, Metals Trading, Standard Chartered Bank, discussed about physical demand of gold in China, difference between India & China market, banks' role in developing Chinese market and many more in Bullion Bulletin. Excerpts...



The International Board's main contract which is traded effectively on the exchange is "physical spot gold contract". On the other hand, the most popular contract on the Shanghai Gold Exchange is the deferred contract (also called T+D). Since there is no deferred contract on the international exchange, it effectively means that for international participants to trade on the exchange, they have to go through the full settlement process of the gold on the International board first.

If RMB is included now in IMF SDR basket (probably it might be) do you see any immediate impact in regional economy vis-à-vis in gold market?

From a gold market perspective I don't think being included in the SDR will have any direct impact on the gold market in China. The central bank of China is already publishing its gold reserves on a monthly basis.

With Chinese economy slowing down, are you seeing any structural change in gold demand?

The record amount of gold that has been withdrawn from the Shanghai Gold Exchange over the last 3-4 months tends to indicate that the physical demand for gold in China is very strong. There are two things going on here: first, volatility of the stock market means people are redirecting some of their money into gold, and second, currency volatility and the possible weakening of the currency is encouraging people to hold more gold.

We would like to know about China's gold leasing market. How is it sourced and mechanism through which it is distributed in the market? Is it representative of China's total gold demand?

I am not sure if the exchange has actually published the numbers but I think the gold leasing market is weaker this year compared to last year. One of the reasons is the decline in onshore interest rate. So what happens is that when the gold interest rate/gold lease rate is going up, the RMB interest rate is going down. This has probably led to the slower demand in the gold leasing market.

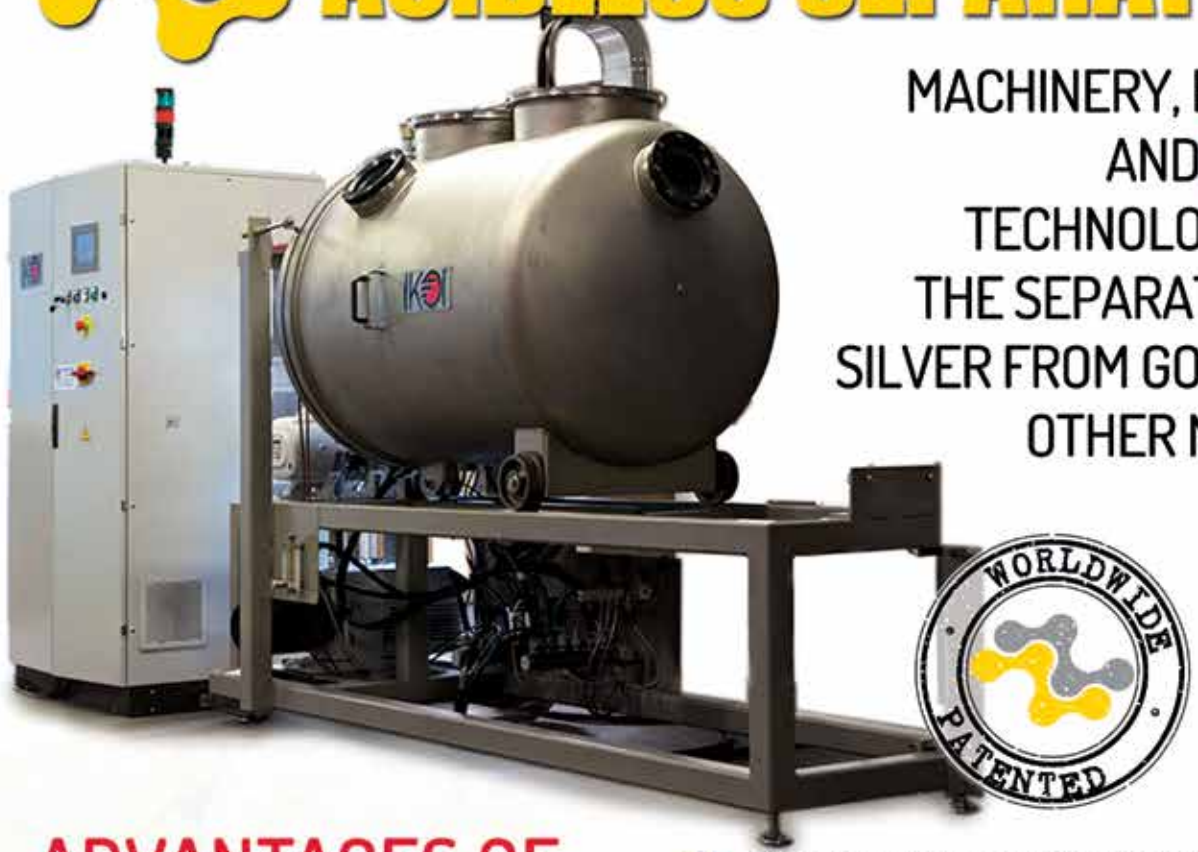
What is the basic difference in the market between India and China?

In China you have the Shanghai Gold Exchange which is the central market controlled and owned by PBOC. So you have a central gold

47
Ag
Silver
107.8682

79
Au
Gold
196.966569

ACIDLESS SEPARATION®



MACHINERY, PLANTS AND GREEN TECHNOLOGY FOR THE SEPARATION OF SILVER FROM GOLD AND OTHER METALS

WORLDWIDE PATENTED

ADVANTAGES OF THE PROCESS.

A system definitely guaranteed.

STOP TO USE DANGEROUS ACIDS

- SAVE 60% OF OPERATIVE COSTS
- PROCESS SPEED
- LOW INVESTMENT AND HIGH YIELD
- SAFETY AND SECURITY
- GREEN PHILOSOPHY

Worldwide Distributor:

GTF
GREEN TECHNOLOGY & FINANCE LLP

GREEN TECHNOLOGY & FINANCE LLP
Courtfield Gardens 12/a - SW5 0PL - London (UK)
info@gtf-uk.com - www.gtf-uk.com

IKOI
PRECIOUS METALS INDUSTRY

IKOI Srl - Via Monte Verena, 20
36022 San Zeno di Cassola - Vicenza (IT)
Phone +39 0424 259300 - Fax +39 0424 570591 - info@ikoi.it - www.ikoi.it

market where transactions are registered and cleared. As far as the Indian gold market is concerned, it is really benchmarked against the London market. From India's perspective a lot of new things are going on domestically, like the Gold Monetisation Scheme, Gold Bond Schemes and India Gold Coin, but it seems that India is missing a central gold market like China. There is no domestic market of its own in India.

International board was launched China's gold market to international investors. Now one year is over, in your opinion how is the performance? If Chinese currency is included in SDR with international board in place, are you anticipating any paradigm change in China's gold market?

The International board turnover is reasonable. Still, the turnover is less than the main Shanghai Gold Exchange. The International Board's main contract which is traded effectively on the exchange is "physical spot gold contract". On the other hand, the most popular contract on the Shanghai Gold Exchange is the deferred contract (also called T+D). Since there is no deferred contract on the international exchange, it effectively means that for international participants to trade on the exchange, they have to go through the full settlement process of the gold on the International board first. Conversely, if you want to buy on the exchange, you have to have money in your account before you can buy. In this case, you would have to convert your money into offshore RMB by opening a special account in a bank in the FTZ, which could leave foreign exchange risk. If the Chinese currency devalues more against the USD it will be an impact on the International board because the price of gold in RMB moves according to the exchange rates.

Chinese banks played a very big role in developing the Chinese market. What are the new initiatives the banks are taking to make the market more attractive?

I think there is distinct support from the government to encourage development of the gold market in China and part of that is in encouraging banks to distribute gold through their branch network. Many of the banks have been successful in doing that over the years. What I think that banks are looking at now is new products for their clients. For example products linked to the price of gold so instead of just offering physical gold bars, they are also looking to offering them more sophisticated investment products linked to gold.

Have you seen any correlation between China's gold demand and international gold price?

Yes, on a day to day basis there is some correlation between China's gold demand and international gold price; when the price goes down we tend to see more buying from China, where price of gold is important However, in the medium to long term, there are other factors like store of value that influence decisions to hold gold.

We are about to end 2015, how are you looking at 2016? How will be the prices and demand mainly in Asian market? Collectively how India and China will perform?

Generally speaking, obviously the US dollar is going to be a major consideration for the gold price in 2016. Our view is that the market is probably pricing in a much stronger US dollar.

I think the China market is still strong (domestic demand). However, China will probably import less gold this year than last year. India is going to be interesting in 2016 on the back of new government reforms. I am very excited about the potential in India; I think things will different now and I think the Indian government is much friendlier towards the domestic gold market.

■■■

Disclaimer: Views are personal and not the views of the publisher.







DIJLLAH
GOLD REFINERY



Dijllah Gold Refinery FZC
Sharjah Free Zone, UAE
PO Box 120811,
info@dijllahgold.com

Dijllah Jewellery FZCO
M-24, Gold Center, Deira gold souk, Dubai, UAE
PO Box 95442
Tel: +971 4 2262115 www.dijllahgold.com

Dijllah Jewellery DMCC
D- 5 , Almas Tower, JLT, Dubai UAE.
Dealing Desk +971 4 2767525
Reuters Code: DIJL





World Gold Council Year-End Forecast: Consumer Demand Steady: China's industry - Shaping the Future of the Gold Market

Roland Wang, Managing Director, World Gold Council China

The PBOC has begun reporting changes to its gold holdings on a regular basis and has confirmed an additional 50.1 tonnes of purchases between July and September. At approximately 1,700 tonnes, that puts China at number six in the global rankings.



2015 has been an interesting year in the gold market. The global gold mining industry is still adapting to the lower price environment, the new Indian government has developed a raft of pro-gold schemes and in China the jewellery industry has been going through a phase of consolidation. The big question though is how will China shape the global gold market in the future?

Gold has been a wealth preservation tool for centuries as it is an effective hedge against various risks including; financial risk, currency weakness, inflation and tail risks for investors the world over. Gold's role in protecting against currency weakness was illustrated perfectly on the 11th and 12th August this year after the PBoC devalued the yuan. And over the long term our analysis shows that gold can be used in portfolios to protect purchasing power, reduce portfolio volatility and minimise losses during periods of market shock.

China is the largest gold consuming country in the world, and investors worldwide keep a sharp eye on what is happening in China's gold market. The country is is now expected to shoulder more responsibilities in leading the gold industry in terms of sustaining gold demand. Fortunately over the past few months, we have seen some encouraging signs These developments include:

- **The monthly announcements of changes to gold reserves by the PBOC and policy support on China's gold market development**

  According to the latest statistics revealed by the PBOC on November 7, gold reserves in October 2015 increased by approximately 14 tonnes when compared with September. This is the fourth time the PBOC has announced an increase in its' gold holdings since mid July when it first confirmed its gold reserves had expanded by over 50 percent (604 tonnes) since its last announcement in 2009. Subsequently, the PBOC has begun reporting changes to its gold holdings on a regular basis and has confirmed an additional 50.1 tonnes of purchases between July and September. At approximately 1,700 tonnes, that puts China at number six in the global rankings.

By Q3 2015, total turnover at the International Board of the Shanghai Gold Exchange had reached 4,448 tonnes, with a transaction volume of RMB 1.06 trillion. Net cleared funds totaled RMB 34.6 billion in the first three quarters of 2015. Total turnover at the International Board reached 3,776 tonnes in H1 2015, with a transaction volume of RMB 902.18 billion.

Pan Gongsheng, a deputy governor of the PBOC, said at the LBMA Market Forum this June in Shanghai that the central bank would continue to support "speedy and healthy growth of the China gold market" and its internationalisation by further improving the law and regulation. Pan noted that the gold market is a crucial part of the China's financial market. The PBOC has been actively promoting the reforms of the Chinese gold market by developing and improving the structure, advancing innovative products and safeguarding market order.

- **Long awaited local fixing – Shanghai Gold**
  Following the launch of the International Board by the Shanghai Gold Exchange (SGE) last September to open up the Chinese gold market to foreign capital, SGE announced its plans to introduce the yuan-denominated gold pricing mechanism. This would meet the demand of Asian market players who have called for a new goldfix based in the Asian time zone to facilitate regional market trading. By Q3 2015, total turnover at the International Board of the Shanghai Gold Exchange had reached 4,448 tonnes, with a transaction volume of RMB 1.06 trillion. Net cleared funds totaled RMB 34.6 billion in the first three quarters of 2015. Total turnover at the International Board reached 3,776 tonnes in H1 2015, with a transaction volume of RMB 902.18 billion. We believe a local gold fixing as a strategic move would help reflect the importance of the Chinese market for physical gold in price formation.

- **The recovery of jewellery demand and the holiday surge when the price drops**
  Chinese demand for gold jewellery grew modestly – up 4 percent year-on-year to 187.6 tonnes in Q3 2015 thanks to the holiday surge. In line with the global pattern, consumers responded swiftly to the sharp drop in the price. The gold demand was initially stimulated by the gold price weakness in July, and further fuelled in mid-August when the RMB devaluation led to a rise in the RMB gold price, which attracted the short term buyers of gold as they used gold to hedge against the local currency devaluation. Meanwhile, the price drop coincided with China's Valentine's Day on 20 August which – in large part due to a successful marketing campaign – is being increasingly accepted as a gold-buying occasion. Some large retail brands reported strong year-on-year sales growth, primarily in the 24k 'pure' segment, as consumer sentiment remained relatively buoyant in the face of a slowing economic environment. With the coming sales peak around year end and in Q1 2016, we expect gold jewellery demand will be further fueled.

Key players in China's market are gaining momentum and are expected to become significant players in the global mining market

As the only central state-owned enterprise in China's gold industry and the only Chinese full member of the World Gold Council in China, China National

Gold Corporation (China Gold) has continued to drive the internationalisation of China's gold market. To answer the call for "stepping out", China Gold is seizing the opportunities brought about by the "One Belt and One Road" initiative to tap international markets. The Kichi-Chaarat, China Gold's first overseas subsidiary registered at Kyrghyzstan back in 2012, is a good example - illustrating China Gold's commitment to helping Asian market participants. In addition, a year ago Song Xin, General Manager of China Gold expressed his enthusiasm for seeking overseas expansion in western markets via acquisitions and mergers.

Zijing Mining, a listed leading mining company in China, is also stepping up its plans for overseas expansion in order to fulfill its ultimate goal of becoming a leading international mining group. The company has spent several billions of RMB to acquire stock in hyper-scale mining companies in Africa and the Pacific Ocean, and also acquired shares in a Tajikistan mining company. This May, Zijin announced it would acquire 50 percent of Barrick (Niugini) Limited, the company which owns 95 percent of and manages the Porgera Joint Venture gold mine in Papua New Guinea. In addition, Barrick and Zijin signed a long-term strategic cooperation agreement which outlines the intent of both companies to collaborate on future projects and joint investments, leveraging the strengths of each company. While most mining companies are experiencing difficult times due to the sluggish gold price, Zijin Mining achieved a 10 percent profit growth last year and is ranked in the top three global gold enterprises by Forbes. On September 25, 2015, Zijin Mining Corporation became the first mining company to be authorised by the People's Bank of China to import gold, marking a step further to participate in the global gold market.

Another example is Zhaojin Mining which is a major local large mining company. While on the one hand it is pushing forward acquisitions for domestic quality mines, on the other hand it keeps an eye on overseas acquisition opportunities especially in regions such as Australia and Canada where the mining industry is well developed, and "One Belt and One Road" areas where there is a great potential for mining. By leveraging the strategic investment in the domestic market and financial investment overseas, Zhaojin Mining is accelerating its process of asset growth and consolidation both at home and abroad.

With key local players marching boldly onto the global stage, we anticipate that they will play a leading role in the market, by leveraging their network and resources. We believe that China will play a more significant role in shaping and advancing the global gold market.

Although China's gold demand was disrupted around mid year with jewellery demand coming under pressure and stock market turmoil, a smoother path lies ahead. As mentioned above we expect China 2015 full year demand to be 900 to 1,000 tonnes, which remains at a similar level to 2014. And according to our major report published last year "China's gold market: progress and prospects", we expect that private sector demand for gold in China will increase due to three key factors – 1) a cultural affinity to gold 2) the rising incomes and growing middle classes and 3) the pro-gold attitude of authorities. China will continue to be a major player in the global gold market with significant representation from all facets of the value chain, from mining, refining, and manufacturing to retailing. Despite a slowing economic environment as we remain optimistic about gold demand in the coming seasons.

■■■

Disclaimer: Views are personal and not the views of the publisher.

TONYGOETZ®

World-class precious metals refining at the highest standards, strategically located in Europe.

Personal and efficient service, quick turn-around, fast metal availability.

Accurate and speedy assay services by certified assayers in our state-of-the-art laboratory.

Worldwide physical delivery of gold, silver and PGM's.

Precious metals trading on key markets in Europe, USA and Asia.

Highest standards in responsible sourcing.









TONY GOETZ NV Jacob Jacobsstraat 58 - 2018 Antwerp - Belgium - T +32 (0)3 221 15 61 - F +32 (0)3 233 12 03
www.tonygoetz.com - info@tonygoetz.com

GOETZGOLD LLC The Gold Center Building - Zone 4 - 6th Floor - Office no. F162 - P.O. Box 64701 - Gold Souq Deira - Dubai - U.A.E.
T +971 4 226 1866 - F +971 4 226 1860 - www.goetzgold.com

China Gold Demand November 2015

Dahdah Bernard, Precious Metals Analyst, Commodities Research, Natixis London Branch



In London and New York, much of the liquid gold in the leasing market is ultimately provided by central banks. To date, very little of this central bank gold has been transferred from West to East. With the growing importance of China's development banks, including the new Asian Infrastructure Investment Bank, other countries could be encouraged to hold more of their gold reserves in China.

Asia as a whole accounts to over 60% of global demand for gold. Together, China and India account to half of the world's consumption of the metal.

The west-to-east shift in holdings of physical gold, which reached extreme proportions in 2013 when outflows from physically-backed western gold ETPs went to Asia, serves as a clear example of the increasingly important role Asia now plays as a source of demand for the metal.

As opposed to western investors who perceive gold as a safe haven, or hold the metal depending on the opportunity cost (i.e. interest rates and yield), Chinese investors typically see a buy opportunity in the metal when large drops in the price take place. Back in 2013, China became the buyer of last resort when it absorbed the metal outflow from western physically-backed ETPs. Had it not been for Chinese purchases, then it is most likely that the price of gold could have dropped further. That year, China was the largest consumer of the metal, with net imports of 1,110 tonnes.

Up until recently the price of gold had been relatively flat, especially in the second quarter of this year. This kept Chinese investors away, with WGC figures indicating that retail investment demand dropped by 11% yoy during the second quarter of 2015. In the first nine months of the year gold imports dropped 2% yoy to 527 tons. That said, the recent slump in the price of gold, which saw it reach six year lows, bought Chinese investors back into the market.

As China has become the world's largest producer and second largest consumer of gold, it has increasingly looked into ways to become one of (if not the) main trading hubs.

Over the past three years, China has allowed the creation of physically-backed ETFs and allowed a few foreign banks to import gold. In addition, last year the Shanghai Gold Exchange set up an international board for foreign investors in the city's free trade zone.
Earlier this summer, and for the first time since 2009, China revised its gold holdings. In April 2009, the country announced it was holding 1,054 tonnes. Much speculation followed; was China adding to this, and if so by how much?

The recent revision in holdings indicate that in the past six years, China has been adding around 100

tonnes of gold a year, raising total holdings to 1,658 tonnes by the end of June. This came as somewhat of a disappointment to the market (expectation was that the country had added more than 2,100 tonnes), and soon after the news was announced gold prices dropped by around 6.5%. Since then the Central Bank has continued to acquire gold, with holdings reaching 1708 tons by the end of September, and is now providing monthly updates on its activities as it actively seeks to join the Special Drawing Rights (SDR).

China will probably continue its trend of adding gold. Calls were raised in 2009 to diversify away from the dollar and into gold as fear that the large share of US dollar-denominated assets would depreciate. Calls were renewed in 2011 when the US was unable to reach an agreement on the debt ceiling, when some officials were of the view that it would be urgent to reduce exposure to the dollar. China has the advantage of being the world's largest producer of the metal and also tends to plan well ahead. Should the country be seeking to increase its reserves of gold as a percentage share of reserves, from the current 1.6% to 5%, it could achieve this by not only just adding gold but by creating a drop in FX reserves. Since June 2014, FX reserves have dropped by almost 11%. In a highly optimistic situation where China would add all of its gold production and see a modest drop in FX reserves, it could reach 5% of gold holding in just under 10 years. Asian countries in general have also been actively seeking to better organise their gold markets. Recently, Dubai, Singapore, Hong Kong and India have seen the emergence of new exchanges and contracts.

China is keen to integrate its own exchanges within the future development of these Asian countries,in line with the "One Belt One Road" concept which seeks to:

- Invest in construction of underlying infrastructure,
- Become a major development partner along the route, with 'cooperation' a word frequently repeated by the Foreign Affairs Ministry,
- Develop trading capabilities with these countries.

With the imminent development of the new overland and maritime silk roads, the idea of becoming a gold hub fits perfectly into the prospective economic belts surrounding these two important trade routes.

In May, it was reported that China is establishing a fund expected to raise around $16bn for gold-related investments as part of the Silk Road initiative. These investments would include gold-backed ETPs, as well as buying stakes in gold companies and mining firms. Assuming investment takes place along the two silk routes,we could therefore expect to see greater liquidity in the gold markets of developing Asian countries where gold is so popular, supported by an expansion of the wholesale markets in China as well as the already deep and liquid markets in London and New York.

What else can China do to encourage the development of its gold market? Despite the vast amounts of gold which were transferred from western investors to Asian buyers in 2013, much of this gold arrived in the form of kilo bars rather than bullion bars, hence there is a need for greater volumes of physical gold which could be used in the leasing market.

In London and New York, much of the liquid gold in the leasing market is ultimately provided by central banks. To date, very little of this central bank gold has been transferred from West to East. With the growing importance of China's development banks, including the new Asian Infrastructure Investment Bank, other countries could be encouraged to hold more of their gold reserves in China.

The Shanghai Gold Exchange plans to launch a yuan gold fix by the end of the year. This would provide the market with a CNY-denominated benchmark price for gold. Around 15 banks are reported to be interested in participating in the process, with the SGE acting as a central counterparty. Following on from the success of the equity link between Hong Kong and mainland Chinese markets, SGE will enable Hong Kong investors to trade SGE gold via a similar link agreement. SGE also intends to introduce new contracts for platinum and palladium.

Disclaimer: Views are personal and not the views of the publisher.

Silver Institute Press Release November, 2015

Thomson Reuters Releases Interim Silver Market Review

Mine Production Stagnates As Silver Coin Demand Hits Record High

New York City - At the Annual Silver Industry Dinner hosted by the Silver Institute, Erica Rannestad, Senior Analyst in the GFMS team at Thomson Reuters, presented the Interim Silver Market Review, which included provisional supply and demand forecasts for 2015. The following are highlights from the report.

- Total silver supply is forecast to fall to 1,014.4 Moz in 2015, down 3% from the previous year. This decline is expected to be driven by flat mine production, a 5% drop in scrap return, and net de-hedging of 12.6 Moz. Mine production is slated to total 867.2 Moz this year, up 0.3% from a year ago. This would be the weakest performance since 2002, when mine production fell by 2%. Healthy increases in primary silver mine production, particularly in Mexico, were partially offset by losses in silver output from base metals mines. Scrap supply is expected to fall for the fourth consecutive year, continuing a downward trend that began after annual average prices and scrap levels peaked in 2011.

- Silver bullion coin sales reached a fresh record high in the third quarter of this year, totaling 32.9 Moz, and are up 95% year-on-year, according to GFMS's bullion coin survey. The slide in silver prices in July and August to six-year lows triggered a surge in buying in the silver coin market, particularly in North America where coin sales increased by 103% to a total of 23.6 Moz in the third quarter. This largely unexpected surge resulted in an unprecedented shortage of current year silver bullion coins among the world's largest sovereign mints. Silver coin demand is forecast to increase 21% in 2015 to total a record high of 129.9 Moz. Coin demand should account for 12% of physical demand this year, up from 10% in 2014 and just 4% ten years ago.

- Silver demand from the photovoltaics industry is forecast to increase by 17% to total 74.2 Moz this year, just shy of the record 75.8 Moz in 2011. Solar will make up 13% of total industrial demand, up from 11% in 2014 and just 1% a decade ago. Silver demand from ethylene oxide producers is predicted to increase 49% to total 8.0 Moz in 2015, the highest since 2010. Despite increased demand from these industries, total industrial demand is forecast to fall by 4% to 570.7 Moz, and to account for 54% of physical demand in 2015.

- Total physical demand is forecast to contract by 2.5% in 2015, to 1,057.1 Moz, primarily driven by a 12.9 Moz drop in electronics demand. Demand from the electronics sector has been falling since 2011, largely owed to thrifting and the trend towards consumer electronics miniaturization. While these trends remain intact in 2015, the decrease has been precipitated by a weaker economy in China, where silver electronics demand is expected to decrease by 7.9 Moz, as well as in other developing countries such as India. China accounts for 28% of silver demand in global electronics fabrication.

- Jewelry fabrication is forecast to total 218.9 Moz, a 2.5% decrease from last year's level. Jewelry fabrication has increased at a healthy pace in Thailand (14%), the United States (9%) and Italy (8%), while Chinese jewelry fabrication has dropped 25%. This sharp decline is largely attributed to offshoring of jewelry manufacturing to Southeast Asian countries and weaker domestic silver jewelry consumption.

- The silver market is expected to be in an annual physical deficit of 42.7 Moz in 2015, marking the third consecutive year the market has realized an annual physical shortfall. While such deficits do not necessarily influence prices in the near term, multiple years of annual deficits can begin to apply upward pressure to prices in subsequent periods. This year, however, net outflows from ETF holdings and derivatives exchange inventories on a year-to-date basis have lessened the impact of the physical deficit, bringing the net balance to 21.3 Moz.

- Silver prices this year through 13th November averaged $15.91/oz, which was 18.3% lower than in the same period in 2014. The GFMS team at Thomson Reuters forecasts silver prices to average $15.51/oz for the full calendar year.

The table below is a reduced form of the full "World Silver Supply and Demand" table featured in the World Silver Surveys:

WORLD SILVER SUPPLY AND DEMAND

(million ounces)	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015f
Supply										
Mine Production	643.4	666.6	682.7	716.3	751.0	755.9	787.5	832.0	865.0	867.2
Other	274.0	222.6	223.8	199.4	322.1	285.8	215.8	164.5	184.1	147.2
Total Supply	**917.4**	**889.2**	**906.6**	**915.6**	**1,073.2**	**1,041.7**	**1,003.3**	**996.5**	**1,049.1**	**1,014.4**
Demand										
Jewelry & Silverware	236.7	242.5	236.0	230.1	241.6	235.2	229.2	276.8	285.2	280.0
Coins & Bars	48.7	51.2	189.3	91.2	148.5	216.0	141.7	226.4	203.5	206.5
Industrial Fabrication	646.7	659.2	654.1	542.2	645.1	628.3	596.9	601.7	595.2	570.7
Physical Demand	**932.1**	**953.0**	**1,079.5**	**863.5**	**1,035.2**	**1,079.5**	**967.8**	**1,104.8**	**1,083.9**	**1,057.1**
Physical Surplus/Deficit	**-14.8**	**-63.8**	**-172.9**	**52.2**	**38.0**	**-37.9**	**35.5**	**-108.3**	**-34.8**	**-42.7**
ETF Inventory Build*	126.8	54.8	101.3	156.9	129.5	-24.0	55.3	2.5	1.5	-17.1
Exchange Inventory Build**	-9.0	21.5	-7.1	-15.3	-7.4	12.2	62.2	8.8	-8.8	-4.3
Net Balance	**-132.6**	**-140.0**	**-267.1**	**-89.5**	**-84.0**	**-26.0**	**-81.9**	**-119.6**	**-27.5**	**-21.3**
Silver Price, $ per oz.	11.55	13.38	14.99	14.67	20.19	35.12	31.15	23.79	19.08	15.51

*2015 through 4th November **2015 through 30th September

© GFMS, Thomson Reuters / The Silver Institute

© Copyright Reuters Limited – November 2015.

While every effort has been made to ensure the accuracy of the information in this document, the content of this document is provided without any guarantees, conditions or warranties as to its accuracy, completeness or reliability. It is not to be construed as a solicitation or an offer to buy or sell precious metal, related products, commodities, securities or related financial instruments. To the extent permitted by law, we, other members of our group of companies and third parties connected to us hereby expressly exclude:

- All conditions, warranties and other terms which might otherwise be implied by statute, common law or the law of equity.
- Any liability for any direct, indirect or consequential loss or damage incurred by any person or organization reading or relying on this document including (without limitation) loss of income or revenue, loss of business, loss of profits or contracts, loss of anticipated savings, loss of goodwill and whether caused by tort (including negligence), breach of contract or otherwise, even if foreseeable.

Press Contact: Eddie Dunthorne, Thomson Reuters GFMS, 30 South Colonnade, The Thomson Reuters Building, London E14 5EP.

Phone: +44 (0)20 7542 5204

Email: eddie.dunthorne@thomsonreuters.com

GJF will Work Hard to Bring in Utmost Transparency

Mr. Sreedhar G V, Chairman, GJF, discussed how GJF could play a crucial part in GMS, what GJF is thinking to make the industry utmost transparent, reviving the lost jewellery art and many more with Bullion Bulletin. Excerpts…



My vision is entire country should remain under one umbrella. GJF has already achieved more than 80-90% of it. So we are very sure that entire industry will be under one single umbrella. We will give everybody a better living and will support the government to bring down the CAD issues. We are trying to cleanup what best is possible and we are trying to transform, coordinate with all the associations having better interactions.

What are the factors GJF feel to be crucial for the success of GMS?

First of all awareness about the scheme is very important for customers. Jewellers can play a major role in creating awareness. The kind of relationship what jeweller has with the customers is for century or decades so the customers will be happier to share their thought because more or less all the details of the customers is known to the jewellers. Jewellers can convince the customers easily by providing them necessary information regarding the scheme and make the scheme very successful.

Regarding popularizing the scheme, neither hallmarking centres (because there are only 350 hallmarking centres) nor can refiners (as there are only 3-4 major refineries) do that. But there are lakhs of jewelers in the country. So, they could play the most important role in popularizing the scheme.

BIS said that any entity who satisfies BIS criterion be eligible to become collection centres of gold under GMS. Do you think that this will encourage jewelers to open such centre?

For this kind of setup there should be eligibility criteria. We have 13 thousand plus hallmark licensed jewelers, but among this how many jewelers are having this proper setup? There should be properly defined standards? What are the necessary steps to be taken for this? What kind of standards is required? What kind of XRF machines is required? Whether separate lab is required or not? How to maintain better transparency in melting gold? All these things have to be taken under consideration. All these

things can be done only through an industry recognized respected apex body like GJF. It can play a major role because it can take an iron hand in this.

What would be rate of interest to be given to the depositors to attract them under GMS? (Both on STDB and MTDB)

Basically no banks have specified the correct interest rate. Still they have not come up with an open statement stating the interest on GMS, that is the main thing which is lacking. The interest rate should not be less than Gold Bond Scheme's interest rate. Government has given 2.75% in Sovereign Gold Bond Scheme. It has to be in the same line but there should be a definite statement on the interest rate from all the banks.

The government has indicated that they will make gold deposit certificate (under GMS) eligible to take rupee loan and deposit will be transferable. Will it be landmark decision towards its success?

There is need for more clarity on this. Government should frame in such a way that there should be a better clarity, better encashability and better indication on transferability. If all these clarity is there then it will be extremely good.

Gold metal loan is an excellent product for jewelers. Still, the product failed to attract jewelers at large. What is the reason? Do you think there is need for change in rules to attract more jewelers?

It is basically for 180 days, I feel the loan period has to be extended little bit, to may be around 365 days. This is an excellent product infact but we have to be very careful on the time of hedging, cutting the rates and looking at the exchange rate etc. if there is more flexibility it will be much better.

India gold coin should be sold through MMTC centres as per the provision set. Will GJF members be interested to sell coins through their member jewellers' outlets?

Definitely, it should be given to jewellers. They should keep market prices in mind, if the pricing is so high who will buy this? Affordability should be there. If it is not to the level of market prices then this is not going to be successful.

As a Chairman of India's largest jewellery body, what is your future plan to develop the industry better?

First of all respect should be created to jewellers. A car can be sold as a product but jewellery is still sold as commodity. As a GJF Chairman I wanted to promote skills of the labour, living standards of the craftsman.

Secondly we are trying to get utmost transparency in the entire industry. Only 20% of our entire industry is organized and this 20% is doing 80% business. But I strongly state that the skill development has to be taken place and we have to give better standard for the living to the craftsman. I want to bring in the lost or not so publicized jewellery art. For example, there is little knowledge about famous Mysuri Nakashi work. The presentation of jewellery is also very important. Jewellery has to be sold as a product for which I strongly argue there should be a better craftsmanship, quality management. Besides, we need to deliberate more frequently on various issues related to industry to the government. Before government takes any of the decision, it should consult the apex body like GJF to ask what are the advantages and disadvantages in taking this kind of decision.

My vision is entire country should remain under one umbrella. GJF has already achieved more than 80-90% of it. So we are very sure that entire industry will be under one single umbrella. We will give everybody a better living and will support the government to bring down the CAD issues. We are trying to cleanup what best is possible and we are trying to transform, coordinate with all the associations having better interactions.

GJF also recognizes the industry designers across the country. We are giving more than 30-40 lakhs as scholarships every year to all the students who really deserve it.

■■■

Disclaimer: Views are personal and not the views of the publisher.

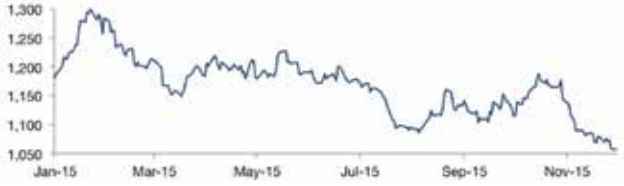
ABS Monthly
Allocated Bullion Solutions

OVERVIEW

- **Speculation around a December 'lift-off' continue to weigh on the gold price.**
- **Response to the launch of India's Gold Monetisation Scheme was underwhelming.**
- **Record demand for silver bullion coins provided little price support.**
- **China may join the IMF's SDR basket, gold accumulation continues.**
- **Cost-cutting strategies are impairing the production pipeline.**
- **We believe a December 'lift-off' could send gold prices down towards USD 1,000/oz.**

Gold has slumped to a new five-year low.

Figure 1: Gold price, USD/oz



Source: Bloomberg

On 17 November, the price of gold had breached key support level of around USD 1,080/oz to reach a low of USD 1,067/oz as the U.S. Bureau of Statistics releases CPI inflation data - which we consider to be supportive of our view that inflationary pressures are gradually building and that 'lift-off' of U.S. interest rates is appropriate. This marks a new 5- year low and while gold had attempted to climb back above the USD 1,085/oz level, it failed to hold and currently trades at USD 1,057/oz at the time of writing.

We note that while the physical gold market may play a larger role in pricing in the long-run, we have seen limited support in Q3 despite the pick up in physical demand - notably from India, China, and Russia - with indications that mining production growth is slowing as a result of cutbacks in exploration and mine development spending over the past few years.

In our opinion, the price of gold will continue to be driven almost entirely by market expectations surrounding the U.S. interest rates and USD strength. We maintain our expectation for the Federal Reserve to commence 'lift-off' at their December FOMC, and we expect gradual normalisation of U.S. interest rates to keep gold prices under pressure. We maintain our view that the gold price is likely to continue trending lower towards the psychologically important USD 1,000/oz level, with our projections for USD strength suggesting downside risk.

Indian gold imports are unlikely to be discouraged by government initiatives.

Response to the Gold Monetisation Scheme was underwhelming…

The Indian government's desire to lower their current account deficit can be seen through numerous initiatives to discourage gold imports, but we maintain that demand will remain supportive.

In previous issues, we discussed our view that their plans to mobilise domestic gold holdings - which total an estimated 20,000 tonnes held predominantly by households and temple trusts - through the Gold

Alex Stewart International Corporation







Alex Stewart International provides inspection, weighing, sampling and assay services for the global precious metal industry, including all major and reputable UK, USA, Asian, African and European precious metal refineries.

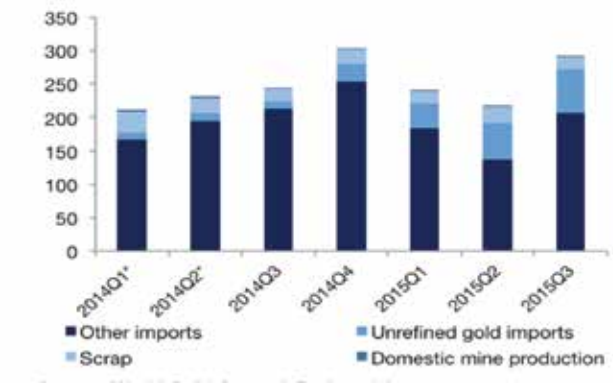
Your Global Network of Inspection & Analytical Laboratory Services

Alex Stewart (International) Corporation
2b Sefton Business Park, Aintree, Liverpool L30 1RD United Kingdom
T: +44 151 525 1499 **F:** +44 151 523 3760
All PM enquiries, please contact Mr. Andy Smith **E:** andy.smith@alexstewartinternational.com
www.alexstewartinternational.com

Monetisation Scheme (GMS) and Gold Sovereign Bond (GSB) are likely to have only modest success in the nearterm. Indeed, it is reported that only around 400 grams of gold had been deposited in the first two weeks following the GMS launch on 5 November. This deposit rate is remarkably underwhelming considering that Indian gold consumption totalled 810.8 tonnes in 2014 according to the World Gold Council - implying average consumption of 31.2 tonnes on a fortnightly basis. Anil Sankhwal, Regional Chairman of the Gems and Jewellery Export Promotion Council (GJEPC), remarks, "Primarily, the [GMS] system has not been properly set - collection centres, refineries and banks. Until that happens, we cannot expect the scheme to take off," with banks also citing insufficient marketing initiatives and public awareness of the scheme. We note that the government is currently moving to register 13,000 jewellers with BIS as collection centres which should improve their reach to gold consumers.

Meanwhile, the GSB performed only slightly better with the government attracting around Rs 1.5bn of deposits. While the lack of public awareness also plays a role here, we view the key constraining factor as the fixed price of the bond at Rs 2,684, which is higher than the current price of gold at local markets. We agree with Metals Focus that the government should remove the application window and allow dynamic pricing, tying the issue price to the spot gold price.

Figure 2: Indian supply estimates, tonnes



Source: World Gold Council, Redward Associates

The introduction of Ashoka Chakra gold coins on Diwali attracted modest interest, with buyers reportedly purchasing 6,200 coins in the first fortnight. We see potential for this to support investment demand, as the coins are expected to carry a premium no more than 5-6%. However, while domestically minted coins match the Swiss purity standard of 999.9 (24 carat), the Swiss coins are likely to remain highly regarded with tamper-proof packaging and globally acclaimed certification. We expect the Indian government to continue to improve the standards of Indian refineries to increase competitiveness of Indian coins in both domestic and global markets.

"Primarily, the system has not been properly set… Until that happens, we cannot expect the scheme to take off."
Anil Sankhwal, Regional Chairman of GJEP

Unrefined gold imports surge.

The nature of gold imports into India is also evolving, with unrefined gold imports expanding to 66.1 tonnes in Q3 (22% of total gold imports), according to the World Gold Council. This compares to just 11.8 tonnes of unrefined gold imports in Q3 2014 (5%), and marks the highest level in Indian history. In our opinion, a key driver of this shift towards importing gold dore is higher refinery margins. Levy exemptions allow local refineries to operate with better margins processing gold dore than importing pure bullion. In addition, it is also reported that the government lowered the import duty on gold dore to 8%. As a result, Indian refineries have improved their operating capacity from 30-35% a year ago - when they struggled with gold recovery through scrap processing - to about 50-60% at present. In our opinion, this differential is likely to continue driving unrefined gold imports, and this view is shared by Somasundaram PR, Managing Director (India) at the World Gold Council, who commented, "It's good that Indian refineries are getting better margins through processing of imported dore and value addition in local refineries is going up through minting of coins. Looking at all these, dore import should continue to rise in future as well."

Headwinds on the price of silver is twofold.

Downward pressure on the price of silver is twofold.
The price of silver hit a six-year low on August 26 (USD 14.13/oz), and is trading just below this below at the time of writing.

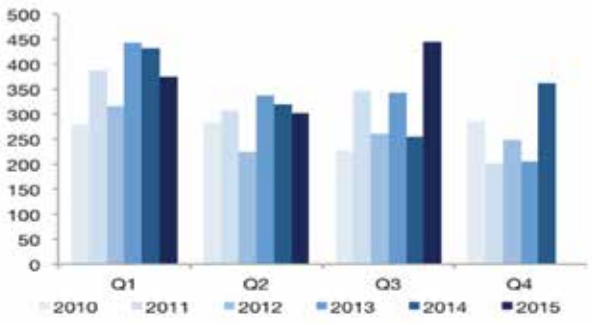
As a precious metal with industrial applications, the downward pressure on silver is twofold with the likelihood of higher U.S. interest rates and a stronger USD compounded by slowing industrial growth and demand from China. According to GFMS, 18,504 tonnes of silver were used for industrial fabrication (56% of total physical demand of 33,179 tonnes) in 2014, with jewellery comprising 6,693 tonnes (20%) and bar and coin demand totalling 6,095 tonnes (18%). China represents 31% of the market for silver for industrial purposes, and was the largest consumer last year (5,788 tonnes) last year with the U.S. in second place (3,903 tonnes). Should Chinese industrial activity soften - and we note that a wide range of activity indicators have been pointing to downside risks to policymaker projections - physical demand for silver could contract further. Of note, Metals Focus recently commented that U.S. silver premiums have risen, but less so relative to the levels observed in 2011. They cited that "there is no shortage of silver in absolute terms", but rather "a lack of readily available high purity metal that met a range of local standards" to satisfy the needs of investment and industrial users.

"…there is no shortage of silver in absolute terms…"
Metals Focus, 11 Nov 2015

Regardless, investor sentiment remains bearish, and we believe that investors are likely to continue to steer clear of commodities as an asset class. We note that ETF holdings for silver appear stable at 18,907 tonnes. Meanwhile, CFTC Commitment of Traders report for 17 November point to significant rewinding of net long speculative positions added over the month of October - net long positions dropped by 35,268 contracts (-5,485 tonnes) since end-October. This was driven by a combination of declining gross long positioning to 102,737 contracts (15,977 tonnes), and a build up of bearish positioning to 80,103 contracts (12,457 tonnes).

U.S. silver bullion coin demand may reach record levels in 2015.
The low price of silver motivated strong demand in the retail space with global silver bullion coin sales reaching record levels in in Q3 according to The Silver Institute (1023.3 tonnes). This led to a perceived shortage of bullion coins as the U.S. Mint, Royal Canadian Mint, Australia's Perth Mint, the Austrian Mint, and the British Royal Mint put distributors under 'allocation' with lead times for silver coins widening from immediate delivery to a month in some cases. Demand then eased moderately with Silver America Eagle Bullion sales totalling just 117.8 tonnes in October - compared to 180.1 tonnes in October 2014. We note that November sales appear on track to exceed last year's volumes, and we see scope for annual U.S. silver coin sales to reach 1,485 tonnes in 2015, representing an 8.5%y/y gain and in line with projections of ETF Securities. We reiterate that most of the world's silver is used for manufacturing or jewellery and that this surge in bullion coin demand is unlikely to impact global supply and demand dynamics. In addition, seasonal trends suggest that demand is usually modest for that time of the year, and as such, bullion coin stocks were relatively low and were unprepared for this sudden rise in sales.

Figure 3: U.S. Silver Eagle Bullion sales, tonnes



Source: U.S. Mint

Are developing nations moving towards a gold-exchange standard?

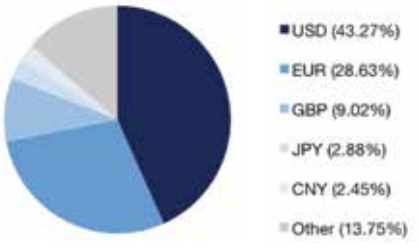
Chinese yuan may soon be included in the IMF's SDR basket.

China's yuan placed fifth in the currency rankings for international payments in September - 2.45% of global payments - according to Society for Worldwide Interbank Financial Telecommunications (SWIFT). SWIFT expects increasing adoption of the yuan for trade settlement and growing numbers of banks supporting those payments to strengthen the yuan's role as an international payments currency. On 13 November, the IMF recommended that the Chinese yuan be added to the foreign exchange basket of Special Drawing Rights (SDR) currencies – which previously comprised USD, JPY, GBP, and Euro - with IMF Chief Christine Lagarde commenting that the fund now deemed that the yuan "meets the requirements to be a *'freely usable' currency".*

While the yuan still awaits a decision from the IMF executive board scheduled for 30 November with the actual inclusion taking place as late as September 2016, we believe there will be little impact on the value of the yuan once it is included in the SDR basket, as floating exchange rate regimes imply that official sector demand for foreign exchange reserves will likely be limited for precautionary reasons only. Regardless, Chinese policymakers have clearly expressed this move as one of the highest priorities for its next five-year plan.

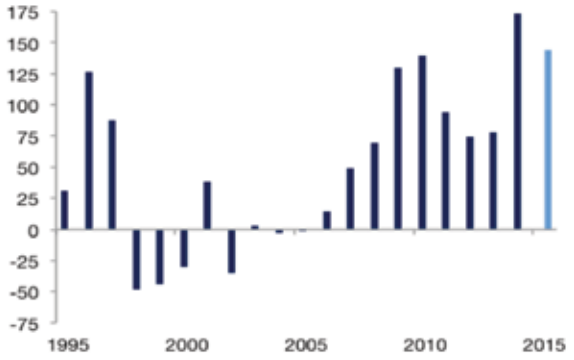
We expect China and Russia to continue their trends of gold accumulation, and we see scope for the two countries to move towards establishing a goldexchange standard.

Figure 4: Global payment currencies (Sept 2015)



Source: SWIFT Watch

Figure 5: Russia official gold purchases, tonnes



Source: International Monetary Fund

We believe that Chinese accumulation of gold reserves will continue as a means of diversification of reserve holdings as well as a signal of strength, with year-to-date SGE physical gold deliveries now exceeding the annual 2014 total at 2313.4 tonnes.

However, we note that China's rate of gold accumulation is secondary to Russia's apparent policy to purchase majority of their domestic gold mining output. While China only started regular reporting of their official reserves statistics this year, Russia has clearly expressed their desire for gold with their official holdings continuously expanding over the past decade. Their speed of accumulation also appears to picking up, likely supported by the softening gold price, with the Central Bank of the Russian Federation reporting an increase of 144 tonnes year-to-date as of end-September.

In our opinion, gold's allure for central banks of developing economies continues to grow amid uncertainty in the global economic and geopolitical outlook. We see scope for the two economic giants to move towards establishing a gold-exchange standard, which would insulate their economies from currency wars and a potential collapse of the present monetary system.

In addition, rather than relying on the IMF's SDR basket, there also exists the possibility for the new BRICs bank to introduce a gold-backed equivalent. We note that while Indian official holdings have been stable since 2009, India may also be attempting to build reserves by extracting physical holdings from their citizens - see page 2. Such a structural change to the monetary system could have significant implications, particularly regarding the importance - and hence value - of existing SDR currencies with demand for safe-haven assets likely to surge.

Growth in mining production will wane…

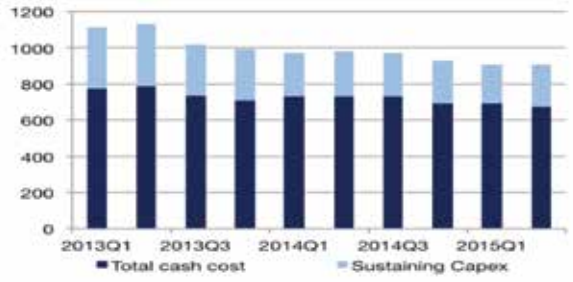
Production growth will likely be constrained following severe spending cutbacks in exploration and development.

Global mining production totalled 245.9 tonnes in September according to the World Bureau of Metal Statistics. This represents a 6.2% decline relative to September last year and brings year-to-date production to 2,200 tonnes (-3.2%y/y).

The World Gold Council (WGC) estimates that cost reduction strategies employed by gold companies over the years have lowered the all-in sustaining costs (AISC) - which is the sum of total cash costs and sustaining capex - from around USD 1,113/oz in 2013 Q1 to USD 900/oz in Q2 this year. The WGC cites that companies had previously sought to target direct cost such as administrative expenses and exploration and mine development spending, but that recent cost savings are more reliant on external factors - notably the fall in oil prices and favourable exchange rates which increase the local value of gold and lower the burden of labour costs. We agree with their comments that "the scope for further reduction in costs is diminishing", and that "reductions in expenditure on activities such as exploration and development will likely have a detrimental effect on production levels in the future".

In their latest Q3 Gold Demand Trends report, the World Gold Council notes that global production remains soft with cutbacks in exploration and development investment impairing the production pipeline. In addition to declining output declining at mature mines - particularly in South Africa and the U.S. - many of the newer mines are also seeing their production levels plateau as they begin to operate at full capacity. While there will be modest support from new mines coming on-stream - such as Newmont's Batu Hijab project (+18 tonnes over 2015), as well as Goldcorp's Cerro Negro mine (+2 tonnes) and B2Gold's Otjikoto mine (+1 tonne) - we believe that production growth over the coming quarters will likely be increasingly constrained.

Figure 6: Breakdown of AISC, USD/oz



Source: Metals Focus, World Gold Council

Soft oil prices to remain supportive of gold production. In November last year, the Organisation of Petroleum Exporting Countries (OPEC) retaliated against surging oil output from North America and Russia by expanding production to drive global oversupply, in an attempt to drive high-cost producers out of the market. As global stocks continue to accumulate, the price of crude oil fell from USD 107.3/bbl in June 2014 to USD 40.6/bbl (-62%) at the time of writing. This has pushed the gold-to-crude oil price ratio to multi-year highs of 26.7 (compared to a historical average between 1987-2014 of 15.7)

OPEC is expected to hold another meeting on 4 December. In our opinion, it is likely that the cartel maintains their stance as members continue to hold the expectation that prices will rebound in 2016 and that U.S. drilling has dropped as a result of the price war. Should OPEC maintain its strategy, we see scope for the continuation of this supply glut to bring the price of crude oil down towards USD 30/bbl over the coming year and we expect this to continue supporting gold producer margins.

The WGC estimates that the all-in sustaining cost of producing gold is now at USD 900/oz, but that "the scope for further reduction in costs is diminishing".

We see scope for the gold price to trend down towards USD 950/oz in 12-months.

The price of gold edged up from around USD 1,082/oz to USD 1,096/oz following the terrorist attacks in Paris on 13 November, but the safe-haven asset quickly retraced those gains, breaching key support level of around USD 1,080/oz to reach a low of USD 1,067/oz on 17 November. This marks a new 5-year low and while gold had attempted to climb back above the USD 1,085/oz level, it failed to hold and is currently trading around USD 1,057/oz at the time of writing.

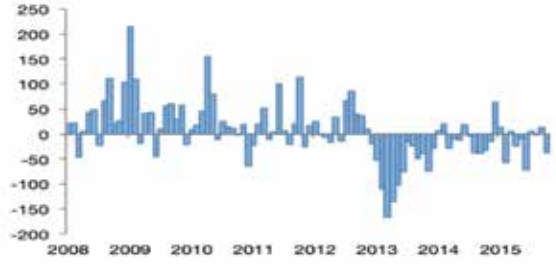
While the price of gold has slumped to a 5-year low, our range of indicators continue to suggests downside risks with our short-term indicator model - based on the USD index, WTI crude oil price, and the 10yr government bond yield - estimating 'fair value' at USD 683/oz, while the historical average mint ratio (1971-2014) implies a valuation of USD 790/oz based on the silver price of USD 14.09/oz at the time of writing.

Investor sentiment turns bearish.

Holdings of exchange-traded funds declined 46.1 tonnes over the past month to 1493.5 tonnes. We note that this represents the sharpest monthly decline since July (-71.5 tonnes) with total known ETF holdings more-or-less unchanged between August and October this year. This brings year-to-date ETF outflows to 99.8 tonnes, and we note that this is considerably lower than the same period last year (-108.0 tonnes).

Similarly, the CFTC Commitment of Traders report for 17 November shows a sharp drop in net long speculative positioning from 506 tonnes by end-October (162,728 contracts) to just 90 tonnes (28,963 contracts). This move was driven by a combination of a decline in bullish positions (-51,503 contracts) and an increase in bearish exposures (+82,262 contracts).

Figure 7: Changes in ETF gold holdings, tonnes



Source: Bloomberg

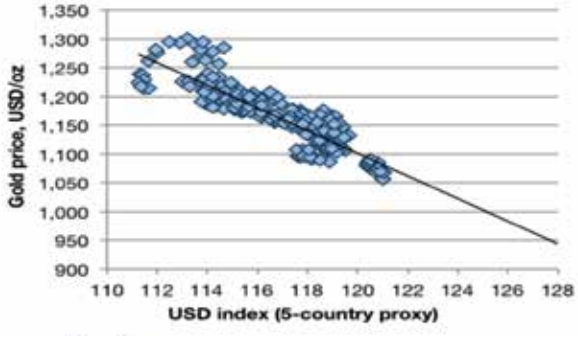
The U.S. dollar remains the key headwind for gold, and pressure is set to rise.

In the near-term, we maintain that the price of gold will be driven almost entirely by expectations surrounding U.S. interest rate and USD strength.

In our opinion, the case for a December 'lift-off' is compelling and as the Federal Reserve delivers a gradual normalisation of interest rate settings – we expect rates to increase by 25bp/quarter to 2.5% by end-2017 – narrowing U.S. yield differentials will drive the USD stronger along with soft global commodity prices. We see scope for the USD to strengthen 6.2% over the coming year, and a simple bivariate estimation of the USD index with the gold price - with daily correlation of 0.88 over the past 12-months - suggests that we could see the price of gold trending down towards USD 950/oz in 12-months (see Figure 8).

We see scope for the USD to strengthen 6.2% over the coming year, and a simple bivariate estimation suggests that we could see the price of gold trending down towards USD 950/oz.

Figure 8: Gold price & USD index



Source: Bloomberg

DISCLAIMER: This report is solely for general information purposes and does not purport to make any representation upon which you may reasonably rely without taking further or more specific advice. While the information herein has been obtained from sources believed by Allocated Bullion Solutions (ABS) to be reliable, ABS gives no warranty or representation as to its accuracy, completeness or fairness. Persons who rely on it do so entirely at their own risk. Any information contained in this report is only intended as a class service and does not take into consideration your personal circumstances or financial position. You should first consider your own personal situation prior to making any investment decision. The information herein may be changed or withdrawn at any time without notice. This email is intended to be read or used by the addressee only. It may contain confidential information. If you are not the intended recipient any use, distribution, disclosure or copying of this email is strictly prohibited. Confidentiality attached to this communication is not waived or lost by reason of the mistaken delivery to you. If you have received this email in error, please notify us immediately and delete it.

INVESTING IN AFRICAN MINING INDABA™

8–11 FEB 2016

CAPE TOWN, SOUTH AFRICA

WHERE THE WORLD CONNECTS WITH AFRICAN MINING™



Why You MUST Attend THE Mining Indaba™!



Features include: Speed networking, networking roundtables, investor programme, enhancements to the business matchmaking



Short list includes: Appian Capital Advisory, CCB International Capital Limited, Denham Capital Management, Pala Investments, Polunin Capital Partners, RGLD Gold AG, Sprott Inc.



Features include: Commodity centric panel discussions including leading analysts, investors and mining companies, 35 African and international Governments in attendance, a series of mining CEO panels and round table discussions



Short list includes: Anglo American, AngloGold Ashanti, B2Gold, ERG (Eurasian Resources Group), Exxaro, Lonmin, Lundin Mining, Rio Tinto, Randgold Resources, and many more



Topics to be discussed: Exploration business models, M&A activity, how to invest beyond the mining cycle, alternative financing options, strength of combining investment into infrastructure and mining projects

REGISTER TODAY!

Register before 11 Dec 2015 and **SAVE AN ADDITIONAL £100** on your new individual delegate registration. Mention the required offer code **MPBB** for discount.

www.miningindaba.com

LBMA ANNOUNCES STRONG, POSITIVE RESPONSE TO RFI

EY reappointed to support the process of evaluation



The LBMA has announced that 20 entities have submitted 17 responses to its recent RFI (Request for Information) process, which includes exchange groups, technology firms, brokers and data vendors. The RFI invited service providers to submit information to assist the LBMA in delivering the EY recommendations from the Strategic Review presented in June 2015.

The purpose of the RFI was to help the LBMA to understand the potential options available to the precious metals market (gold, silver, platinum and palladium). More specifically, service providers were requested to submit information to help deliver a series of strategic objectives for the London precious metals market. These include enhancing transparency, improving efficiency and expanding the technology requirements in the market, in order to facilitate growth, lower costs and attract greater liquidity.

The responses to the RFI will be discussed by a User Group comprised of representatives of the LBMA Management Committee, liquidity providers and supported by the London Precious Metals Clearing Limited.

EY has been appointed to act as the independent facilitator of the User Group, and will be responsible for providing assessment criteria by which the various potential services will be assessed. Jon Spall (G Cubed Metals Ltd) and former LBMA Chairman, David Gornall (DG Consulting), will provide subject matter expertise to the LBMA Executive and User Group. The User Group will make recommendations to the Management Committee who will make the final decision as to which service provider(s) will be shortlisted to formally propose dedicated services for the market.

The broad timetable for delivery of the process is as follows:

- Consideration of RFI responses during the remainder of 2015 including bilateral discussions with service providers;
- Service provider presentations and selection of optimal solution(s) in Q1 2016.

For further information please contact:

Aelred Connelly
PR Officer
Aelred.connelly@lbma.org.uk
Tel: +44 (0)20 7796 3067

About the London Bullion Market Association

The LBMA is the international trade association that represents the wholesale over-the-counter market for gold and silver bullion. The LBMA undertakes many activities on behalf of its members and the wider market, including the setting of good delivery and refining standards, the organisation of conferences and other events, and serving as a point of contact for the regulatory authorities. For more information, please visit www.lbma.org.uk.



Mining: Gold output in Mali could hit 60 tonnes by end-2017

Mali's gold production could rise to around 60 tonnes a year by the end of 2017 as a series of new projects comes online, the West African nation's mining minister said.

Mali is Africa's third-largest gold producer after South Africa and Ghana and mined 49.865 tonnes of the precious metal last year. The sector contributes around a quarter of government revenues.

While output is expected to slip slightly this year as production from some mature mines dwindles, Boubou Cisse said that new mine openings would reverse the decline in the coming years.

"I think that if those projects come to fruition in two and a half years, Mali can return to the levels of 60 tonnes per year in terms of production," he said at an oil and mining conference in the capital Bamako.

Cisse pointed to projects including Vancouver-based firm B2Gold's Fekola mine, believed to hold the largest gold deposits in West Africa and due to open in 2017.

He also said that the Nampala mine, owned by Canadian firm Robex, had overcome earlier technical delays and was expected to enter production in the first quarter of 2016. Subterranean mines were expected to open at Sadiola, owned by Anglogold Ashanti and Iamgold, and Syama, controlled by Australia's Resolute Mining.

Source: www.theafricareport.com

B2Gold breaks ground at new Mali gold mine

Vancouver-based B2Gold broke ground at its Fekola mine site in Mali, where the company is building a 350 000-oz/y gold mine. Mines Ministry Chief of Staff Robert Diarra officiated the event, which was attended by national and regional government representatives, as well as community leaders, B2Gold reported in a statement.

The company started initial construction in February 2015 and has already completed several early construction activities, including a new site access road and an on-site airstrip, among others. B2Gold started mine construction activities in the fourth quarter.

The company's current construction focus was on building a permanent camp, starting excavation of the mill area and starting clearing of the tailings basin. Concurrently with the activities on site, B2Gold's engineering team was working with Lycopodium Engineering in Australia to complete detailed design and procure long-lead items.

B2Gold reported that many of the major mill packages had been identified and purchase orders had been issued. This included semi-autogenous grinding and ball mills, thickeners, cyclones, crusher and tanks. The Fekola mine is expected to start production in 2017. It will produce an average of 350 000 oz/y for the first seven years of production at an average operating cash cost of $418/oz. The life-of-mine plan is to produce about 276 000 oz/y at an average operating cash cost of $552/oz. B2Gold estimates the total pre-production capital costs to be $395-million plus $67-million of anticipated mine fleet and power generator costs, which will be lease financed. 2Gold also owns mines in Nicaragua, the Philippines and in Namibia. The company is projecting to produce between 500 000 oz and 540 000 oz of gold in 2015.

Source: www.miningweekly.com



Randgold profit tumbles despite record gold production

Africa-focused gold miner Randgold Resources posted 26% drop in profit to $48.8 million in the third quarter from $66m a year ago, as gold prices continue to sag while costs increase.

The miner, which is debt-free despite current market conditions, produced a record 305,288 ounces in the quarter, up from 299,320 a year earlier, thanks mainly to its Kibali (DRC) and Morila (Mali) mines.

Gold prices are down 6% so far this year, after having hit a five-year low in July. By contrast, Randgold's shares have fallen less than 1% in 2015.

"The gold mining industry is severely stressed and Randgold is certainly not immune to the pressure. Relative to our peers, however, we are still doing well," chief executive Mark Bristow said in a statement.

Bristow is also anticipating more mergers in the industry, adding that the sector won't be able to survive at the current spot.

"The big producers have the biggest challenges of all," Randgold's he said in a Bloomberg Television interview in London. "Eventually, you're going to see survival mergers."

The company, whose production is largely in Mali, the Ivory Coast and Senegal, reaffirmed that Kibali remains on track to exceed its full-year production guidance of 600,000 ounces and the company as a whole is expected to produce gold within its guidance range of around 1.2 million ounces this year.

Source: www.mining.com



Gold Fields deciding Ghana's mine fate, as bullion prices dive

Gold Fields the world's seventh-largest bullion producer with operations from Australia to Peru, may place its Damang mine in Ghana "under care and maintenance" until gold prices recover,

Shares in the South African miner, however, jumped more than 20% as it reported improved production and lower cash outflows at its South Deep mine, the company's only remaining asset in South Africa.

The stock soared as much as 29% to 39.98 rand a share around 11:40am local time in Johannesburg. That is the highest price reached since September 1999. It was up almost 19% at 36.72 rand by 3:33 p.m.

South Deep, the world's largest gold ore body behind Grasberg in Indonesia, is a "kingpin" asset for Gold Fields, according to the miner's website, despite almost a decade of delays, accidents and financial losses. This, as the mechanized mine holds about 75% of the company's reserves.

"As the gold price continues to languish, we constantly review our portfolio," CEO Nick Holland said. "While the weaker currencies offer some respite in most regions, Ghana is fully exposed to further declines in the dollar gold price."

Another option, the company said, would be to inject cash into the operation in order to access deeper higher quality ore.

A final decision will be announced early next year, the company said in its September quarter results which showed increased gold output and higher earnings. Gold Fields reported attributable net earnings of $18m for the three months to September 30 compared with $12m in the June quarter and $19m a year ago. It also said it cut net debt by 3.4% to $1.42 billion.

Source: www.mining.com



Excellent response' to Gold Bond Scheme

The Sovereign Gold Bond Scheme seems to be more popular with investors than the related Gold Monetisation Scheme. The first tranche of the Sovereign Gold Bond Scheme received about 63,000 applications for a total of 917 kg of gold worth `246.2 crore.

"Excellent response for an innovative product," tweeted Shaktikanta Das, Secretary, Department of Economic Affairs, on Friday.

The first tranche of the bonds was issued between November 5 and November 20. More tranches will be issued during the current fiscal.

"The response was from the retail investors who are the focus of this scheme. The positive response… from across the country and it is expected that subsequent tranches will continue to receive such enthusiastic response," said a Finance Ministry release.

Announced by Finance Minister Arun Jaitley in Budget 2015-16 as an alternative to buying gold in physical form, sovereign gold bonds are denominated in multiples of one gram of gold with a minimum investment of two grams of gold. In contrast, the Gold Deposit Scheme is understood to have received just 400 gm of deposits after two weeks of its launch and the Finance Ministry is now undertaking measures to make it more popular, including a clarification on the tax treatment.

At present, "there are 33 collection and purity testing centres (CPTCs) and five refiners that have been notified in the scheme. This had resulted in signing of limited number of tripartite agreements between banks, CPTCs and refiners," said the release, adding that the ministry then held a meeting to review the scheme.
Now depositors can directly give their gold to the refiner, fees on purity and testing would be reimbursed against the actual cost and more CPTCs will be opened.

Source: www.Hindubusinessline.com



Gold imports may cross 1,000 tonnes this year

India's gold imports may hit an all time high of over 1,000 tonnes in 2015 buoyed by sharp fall in global prices, according to the All India Gems and Jewellery Trade Federation. The world's second-biggest gold consumer had imported around 900 tonnes in 2014, it said. "For the first time, we expect gold imports to cross 1,000 tonnes this calendar year. More imports are being undertaken taking advantage of significant fall in global prices," Federation Director Bachhraj Bamalwa told.

Gold prices in the international market have fallen to a five-year low. However, the falling global prices have not reflected in the domestic market due to rupee appreciation against the US dollar, he said. According to the federation, India has imported 850 tonnes of gold during January-September period of 2015 as against 650 tonnes in the year-ago period.

"We expect 150-200 tonnes of imports to take place in the December quarter of this year, as against 300 tonnes in the year-ago period", Bamalwa said. Imports in the October-December period this year are likely to be lower compared to the year-ago period because traders imported more during last year fearing further restrictions on gold shipments, he added.

In a latest report, the World Gold Council has said India's gold demand in fourth (Oct-Dec) quarter would be more muted. "Lingering concerns over the health of the rural Indian economy and local gold prices remaining in close proximity to Rs 27,000 per 10 grams level in recent weeks also give reasons to adopt a prudent outlook for the usual fourth quarter uplift in Indian demand", it said.

Source: www.Economictimes.Indiatimes.com

जीजेएफ अधिकतम पारदर्शिता लाने के लिये प्रतिबद्ध

श्री श्रीधर, चेयरमेन, जीजेएफ, ने जीएमएस के महत्वपूर्ण भाग मे किये जा सकने वाले योगदान, उद्योग मे अधिकतम पारदर्शिता लाने के लिये संघ की सोच तथा बंद हो चुके ज्वैलरी कला को पुनर्जीवित करने सहित अनेकों मुद्दों पर बुलियन बुलेटिन के साथ बातचीत की। सारांश....



जीएमएस की सफलता के लिये जीजेएफ कौन–कौन से कारकों को महत्वपूर्ण समझती है?

सबसे पहले ग्राहक के लिये इस योजना के बारे मे जागरुकता काफी महत्वपूर्ण है। इस योजना के बारे मे जागरुकता लाने के लिये ज्वैलर्स महत्वपूर्ण भूमिका निभा सकते है। ज्वैलर्स का अपने ग्राहक के साथ स्थापित सदियों या दशकों पुराना संबंध के चलते ग्राहक जीएमएस पर अपने विचार खुशी से साझा कर सकते है क्योंकि यह ज्वैलर उस ग्राहक के बारे मे पहले से ही जानता है। ज्वैलर ग्राहको को जरुरी जानकारियां प्रदान कर इस योजना मे शामिल होने के लिये आसानी से राजी कर सकता है और इस योजना की सफलता मे महत्वपूर्ण भूमिका निभा सकता है।

इस योजना को लोकप्रिय बनाने का कार्य न तो हालमार्किंग केन्द्र (जो कि **360** की संख्या मे है) और न ही रिफायनर (जो कि **3** या **4** प्रमुख है) कर सकते है। देश मे लाखों की संख्या मे ज्वैलर्स जो कि यह कार्य बखूबी कर सकते है।

बीआईएस का कहना है कि कोई भी संस्था जो कि उसकी अपेक्षित मानदंडों को पूरा करता है, जीएमएस के अंतर्गत कलेक्शन सेन्टर बन सकता है। क्या आपकों लगता है कि ज्वैलरों को इससे लाभ होगा?

इस तरह की भूमिका के लिये अहर्ता मानदंड होने चाहिये। हमारे साथ **13** हजार से अधिक हालामार्कि लाइसेंस ज्वैलर्स पंजीकृत है लेकिन इन सब मे कितनों के पास समुचित सुविधा है? यहां पर ठीक रुप से परिभाषित किये गये मानक होने चाहिये? इसके लिये क्या जरुरी कदम उठाये जाने चाहिये? किस तरह के मानकों की आवश्यकता है? किस तरह का एक्सआरएफ मशीन जरुरी होगा? इसके लिये क्या अलग लैब की आवश्यकता है? गोल्ड को गलाने के लिये किस तरह की पारदर्शिता बरतीं जानी चाहिये? इन सभी पर भी विचार किया जाना चाहिये। ये सभी केवल उद्योग मे प्रतिष्ठित उच्च संस्था जैसे कि जीजेएफ के माध्यम से ही किया जा सकता है। जीजेएफ इसमे काफी महत्वपूर्ण भूमिका निभा सकता है।

जीएमएस के अंतर्गत निवेशकों को लुभाने के लिये कितना ब्याज दिया जाना चाहिये? (एसटीडीबी तथा एमएलटीबी दोनों के लिये)

किसी भी बैंक ने अब तक सही ब्याज दर की घोषणा नही की है। अभी तक बैंकों ने ब्याज दर को लेकर कोई खुला वक्तव्य नही दिया है इस मुख्य बात कि अब तक कमी है। ब्याज दर गोल्ड बांड योजना की ब्याज दर से कम नही होनी

Organized By

Bullion Bulletin™

INDIA GOLD FORUM

THEME: BANKS AT THE CORE OF GOLD SCHEMES

January 22-23, 2016, The Leela Palace, Chennai

Title Sponsor

WORLD GOLD COUNCIL

Refinery Partner

MMTC-PAMP

Delegate Kit Sponsor

BRINKS Global Services

Supporting Body

ASSOCIATION OF GOLD REFINERIES AND MINTS

What is the workshop about?

Government of India recently launched four schemes broadly aimed at financialization of gold in India. Gold Monetization Scheme (GMS), the most important one of the four, aims at bringing out a portion of the gold held by households, temples and trusts and institutions. The government has identified three primary stakeholders – banks, Collection and purity testing centers (CPTCs), and refiners- to run the scheme. However, enough provisions have been put forth to include other stakeholders in the scheme, directly or indirectly. The developments have resulted in tremendous positivity amongst the stakeholders as there is an opportunity to put a viable and sustainable business that addresses the needs of consumers, jewelers as well as the government.

Why is the workshop?

As with any structural change in the market, GMS is bound to experience initial hiccups and glitches. There would be operational, procedural, tax-related, governance related or investment related challenges along the way. That is precisely the reason for stakeholders to get together and deliberate and collectively represent the issues confronted by them to the policy makers for remedial actions. Besides, coming together would also enable participants to learn from each other and seek new partnerships.

Who is organizing it and when?

Bullion Bulletin, a knowledge portal on Bullion, with the support of the industry is organizing the workshop with specific focus on GMS. The workshop has been planned between 22 and 23 of January, 2016 at The Leela, Chennai as Tamil Nadu and Kerala host highest number of Hallmarking centers in the country and Chennai is well-connected with the rest of the country.

Who would attend the workshop?

The workshop, designed as a two-day format, expects commercial banks, CPTCs and refiners as well as jewelers, commodity / stock exchanges, logistic service providers, NBFCs, Hallmarking centers, Gold loan companies, microfinance institutions and government bodies to participate and benefit.

What is the agenda?

The agenda includes presentations, panel discussions and bringing out specific recommendation for government. Besides, there would be a structured networking session, wherein participants can discuss business one-on-one with banks, refiners and CPTCs.

Bullion Bulletin would be pleased to have your inputs to develop and improve the agenda and the usefulness of the workshop. Please email your suggestions to debajit@bullionbulletin.in

If you would like to attend the workshop or sponsor or take an exhibition booth, please write to abhinaya@fbspl.com or call at +91 93437 34140

For more details visit www.bullionbulletin.in/igf/index.html

चाहिये। सरकार ने सोवरेन गोल्ड बांड योजना के लिये **2.75%** का ब्याज दर रखा है। इसमे मे ब्याज दर इसी स्तर पर रखी जानी चाहिये लेकिन बैंकों ने किसी प्रकार का अभी तक वक्तव्य नही दिया है।

सरकार ने यह संकेत दिया है कि गोल्ड डिपाजिट सर्टिफिकेट लोन लेने तथा हस्तान्तरित करने के योग्य रहेंगे। क्या यह इस योजना की सफलता का महत्वपूर्ण निर्णय है?

इस संबंध मे और स्पष्टता प्रदान करने की आवश्यकता है। सरकार को इसे और भी स्पष्ट तरीके से पेश करना चाहिते ताकि इसमे स्पष्टता, बेहतर नगदीकरण तथा हस्तान्तरण पर बेहतर संकेत हो। अगर इन सब मे स्पष्ट जानकारियां दे दी जायें तो यह काफी अच्छा होगा।

ज्वैलरों के लिये गोल्ड मेटल लोन एक उत्कृष्ट उत्पाद है। लेकिन अभी भी यह ज्वैलरों को आकर्षित करने मे असफल रहा है? क्या आपकों लगता है कि ज्यादा ज्वैलरों को आकर्षित करने के लिये इसमे कुछ परिवर्तनों की आवश्यकता है?

यह मुख्य रुप से **180** दिनों के लिये है, मुझे लगता है कि इस अवधि को थोड़ा और बढ़ाया जाना चाहिये लगभग **365** दिनों तक। यह वास्तव मे एक उत्कृष्ट उत्पाद है लेकिन हेजिंग के समय, भाव निर्धारित करने तथा विनिमय दर पर सावधानी बरतनी चाहिये। यदि इसमे और नरमी बरती जाये तो और अच्छा होगा।

सरकार द्वारा बनाये प्रावधान के अनुसार इन्डिया गोल्ड कॉइन एमएमटीसी केन्द्रों के माध्यम से बेचे जायेंगे। क्या जीजेएफ के सदस्य अपने ज्वैलरी केन्द्रों से इन सिक्कों की बिक्री करने मे इच्छुक होंगे?

निश्चितरुप से इन्हे ज्वैलरों को दिया जाना चाहिये। साथ ही इन्हे बाजार भाव को भी ध्यान मे रखना चाहिये क्योंकि यदि भाव ज्यादा होंगे तो इन्हे कौन खरीदेगा? इसकी खरीदी का सामर्थ्य रहना चाहिये। यदि यह बाजार भाव के अनुरुप नही होगा तो यह बाजार मे सफल नही हो पायेगा।

भारत के सबसे बड़े ज्वैलरी संघ का अध्यक्ष होने के नाते आपकी इस उद्योग को आगे बढ़ाने तथा इसका विकास करने के लिये क्या योजनायें है?

सबसे पहले तो सभी ज्वैलरों को सम्मान दिलाना। कार को एक उत्पाद के रुप मे बेचा जा सकता है लेकिन ज्वैलरी अभी भी एक जिंस या कमोडिटी है। इस संघ का अध्यक्ष होने के नाते मै मजदूरों की कला को प्रोत्साहन तथा कारीगरों के जीवनस्तर को उपर उठाना चाहता हूं।

दूसरा, हम इस उद्योग मे अधिकतम पारदर्शिता लाने के लिये भरसक प्रयास कर रहें है। हमारे उद्योग मे केवल **20%** ही संगठित या ऑर्गानाइज्ड है और इनमे से **20%** उद्योग का **80%** व्यवसाय करते है। मेरा यह मानना है कि हमे कौशल विकास तथा हमारे कारीगरों के जीवन स्तर को सुधारने के लिये हमे ज्यादा से ज्यादा प्रयास करना चाहिये। मै खो चुके तथा कम प्रचलित ज्वैलरी कला को पुनर्जीवित करने के लिये प्रयास करना चाहता हूं। उदाहरण के लिये मैसूरी नक्काशी के बारे मे काफी कम जानकारी है। ज्वैलरियों का प्रस्तुतीकरण भी काफी महत्वपूर्ण है। ज्वैलरी को भी एक उत्पाद की तरह बेचा जाना चाहिये जिसके लिये मेरा मानना है कि बेहतर कारीगरी तथा गुणवत्ता पर विशेष जोर दिया जाना चाहिये। इसके अलावा हमे सरकार के साथ उद्योग से संबंधित मुद्दों पर ज्यादा से ज्यादा बार बातचीत करनी चाहिये। इसके पहले कि सरकार कोई निर्णय ले उसे उच्च संस्थाओं जैसे कि जीजेएफ के साथ सलाह लेनी चाहिये कि उक्त निर्णय लेने से क्या लाभ व हानि हो सकती है।

मेरा विजन है कि पूरे देश के ज्वैलर एक ही छत के नीचे हों। जीजेएफ ने पहले ही इसका **80-90%** हासिल कर लिया है। मुझे पूरा यकीन है कि यह उद्योग एक ही छत की नीचे आ जायेगा। हम सभी बेहतर जीवन प्रदान करेंगे तथा सरकार को चालु खाता घाटा को कम करने के लिये सहयोग देंगे। हम अपने स्तर जितना हो सकता है उतना कार्य कर रहें है तथा सुधार लाने का प्रयास कर रहें है।

■■■

Disclaimer: Views are personal and not the views of the publisher.

Bullion - Data & Statistics

Gold Spot Market, International (Per Troy Ounce)			
Spot gold	**02nd Nov**	**30th Nov**	**% Change**
Australia (AUD)	1583.58	1471.52	-7.34
Britain (GBP)	734.81	706.59	-3.92
Canada (CAD)	1484.20	1420.50	-4.39
Europe (Euro)	1028.97	1006.65	-2.19
Japan (Yen)	136912.10	131115.50	-4.33
Switzerland (CHF)	1119.06	1095.00	-2.17
USA (USD)	1133.22	1064.23	-6.28

Silver Spot Market, International (Per Troy Ounce)			
Spot Silver	**02nd Nov**	**30th Nov**	**% Change**
Australia (AUD)	21.52	19.44	-7.34
Britain (GBP)	9.97	9.33	-3.92
Canada (CAD)	20.16	18.77	-4.39
Europe (Euro)	13.97	13.29	-2.19
Japan (Yen)	1861.62	1732.30	-4.33
Switzerland (CHF)	15.20	14.46	-2.17
USA (USD)	15.41	14.07	-6.28

Monthly Exchange Data (Gold) (From Nov 02-30)						
Exchange	**Commodity**	**Open**	**High**	**Low**	**Close**	**% Ch.**
COMEX[2]	Gold Feb'16	1142.20	1143.10	1051.60	1065.30	-6.98
MCX[1]	Gold Feb'16	26720.00	26769.00	25092.00	25263.00	-5.67
NCDEX HEDGE[1]	Gold Jan'16	24198.00	25249.00	22768.00	25117.00	3.71
TOCOM[3]	Gold Feb'16	4451.00	4455.00	4151.00	4159.00	-6.90

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

Monthly Exchange Data (Silver) (From Nov 02-30)						
Exchange	**Commodity**	**Open**	**High**	**Low**	**Close**	**% Ch.**
COMEX[2]	Silver Mar'16	15.60	15.60	13.89	14.09	-10.31
MCX[1]	Silver Mar'16	37079.00	37155.00	33853.00	34205.00	-8.39
NCDEX NEW[1]	Silver Feb'16	33222.00	33222.00	30574.00	30658.00	-8.63
TOCOM[3]	Silver Feb'16	61.00	61.00	56.80	56.80	-7.13

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

Gold Spot Market, India			Rs/10gm
Spot Gold	**02nd Nov**	**30th Nov**	**% chg**
Ahmedabad	26387	25049	-5.20
Bangalore	26800	25505	-4.95
Chennai	26825	25460	-5.22
Delhi	26800	25525	-4.87
Mumbai	26750	25450	-4.98
Hyderabad	26780	25470	-5.02
Kolkata	26815	25460	-5.19

Currency Change (Monthly)		
	02nd Nov	**30th Nov**
EUR/USD	1.1015	1.057
USD/AUD	1.3994	1.3827
USD/GBP	1.5416	1.5057
USD/INR	65.59	66.659
USD/JPY	120.75	123.21

Silver Spot Market, India			Rs/kg
Spot Silver	**02nd Nov**	**30th Nov**	**% chg**
Mumbai	36600.00	34300.00	-6.49

Bullion - Data & Statistics

LBMA Gold & Silver Price (Per Troy Ounce)										
	GOLD AM			GOLD PM				SILVER		
DATE	USDAM	GBPAM	EURAM	USDPM	GBPPM	EURPM	DATE	USD CENTS	GBP PENCE	EUR CENTS
11-02-2015	1135.80	733.86	1030.86	1134.00	733.22	1027.83	11-02-2015	15.40	9.96	13.98
11-03-2015	1130.90	733.95	1029.82	1123.10	730.95	1026.60	11-03-2015	15.38	9.99	14.02
11-04-2015	1118.00	724.99	1024.09	1114.70	724.75	1024.40	11-04-2015	15.26	9.90	13.97
11-05-2015	1107.30	719.61	1019.80	1106.30	725.73	1017.85	11-05-2015	15.02	9.78	13.81
11-06-2015	1107.70	731.64	1018.81	1088.90	722.20	1013.50	11-06-2015	15.08	9.96	13.87
11-09-2015	1095.60	725.95	1015.90	1089.60	722.26	1015.71	11-09-2015	14.78	9.79	13.71
11-10-2015	1092.50	723.22	1017.23	1087.10	719.55	1017.55	11-10-2015	14.55	9.63	13.56
11-11-2015	1088.60	718.36	1013.17	1085.90	714.95	1010.19	11-11-2015	14.44	9.52	13.47
11-12-2015	1087.60	716.21	1014.03	1087.40	713.89	1007.74	11-12-2015	14.39	9.48	13.43
11-13-2015	1083.75	712.08	1006.60	1081.50	710.79	1008.70	11-13-2015	14.39	9.46	13.34
11-16-2015	1094.50	719.89	1020.32	1084.75	713.89	1012.77	11-16-2015	14.36	9.45	13.37
11-17-2015	1080.80	710.50	1013.60	1079.20	708.88	1011.39	11-17-2015	14.25	9.37	13.37
11-18-2015	1070.50	702.74	1002.95	1067.75	701.75	1001.34	11-18-2015	14.17	9.31	13.29
11-19-2015	1073.10	703.05	1004.19	1082.60	707.74	1010.27	11-19-2015	14.21	9.31	13.26
11-20-2015	1085.15	709.26	1014.80	1081.75	709.40	1012.19	11-20-2015	14.29	9.36	13.38
11-23-2015	1068.35	705.31	1005.91	1070.50	705.66	1006.06	11-23-2015	13.98	9.24	13.16
11-24-2015	1073.00	709.67	1008.32	1076.40	713.95	1011.37	11-24-2015	14.14	9.36	13.28
11-25-2015	1072.20	711.23	1011.10	1068.00	708.07	1009.50	11-25-2015	14.07	9.34	13.29
11-26-2015	1070.50	710.31	1009.41	1071.00	708.45	1008.45	11-26-2015	14.29	9.48	13.46
11-27-2015	1064.65	707.73	1005.79	1057.40	702.10	999.50	11-27-2015	14.11	9.38	13.34
11-30-2015	1055.65	703.05	998.20	1061.90	705.72	1003.73	11-30-2015	14.08	9.38	13.32

Disclaimer: All references to LBMA Gold Price are used with the permission of ICE Benchmark Administration Limited and have been provided for informational purposes only. ICE Benchmark Administration Limited accepts no liability or responsibility for the accuracy of the prices or the underlying product to which the prices may be referenced.
LBMA Silver Price ("Benchmark") is owned by The London Bullion Market Association ("LBMA"), calculated by CME Benchmark Europe Ltd. ("CMEBEL") and administered by Thomson Reuters Benchmark Services Ltd. ("TRBSL").

None of LBMA, CMEBEL, TRBSL, their group companies, nor any of their or their group companies' respective directors, officers, employees or agents (collectively the "Disclaiming Parties") shall be liable in respect of the accuracy or the completeness of the Benchmark or the market data related thereto ("Market Data") and none of the disclaiming parties shall have any liability for any errors, omissions, delays or interruptions in providing the Benchmark or market data.

Sources:

http://www.mcxindia.com/
http://www.Ncdex.com/
http://www.cmegroup.com
www.tocom.or.jp/Indian
http://www.forexpros.com/
Domestic Spot precious metals prices Newspaper
http://www.lbma.org.uk/index.html
https://www.netdania.com

2016 DUBAI PRECIOUS METALS CONFERENCE

10-12 April 2016, Dubai

An Initiative of

DMCC

Organised By

Foretell
Business Solutions

SAVE YOUR DATES





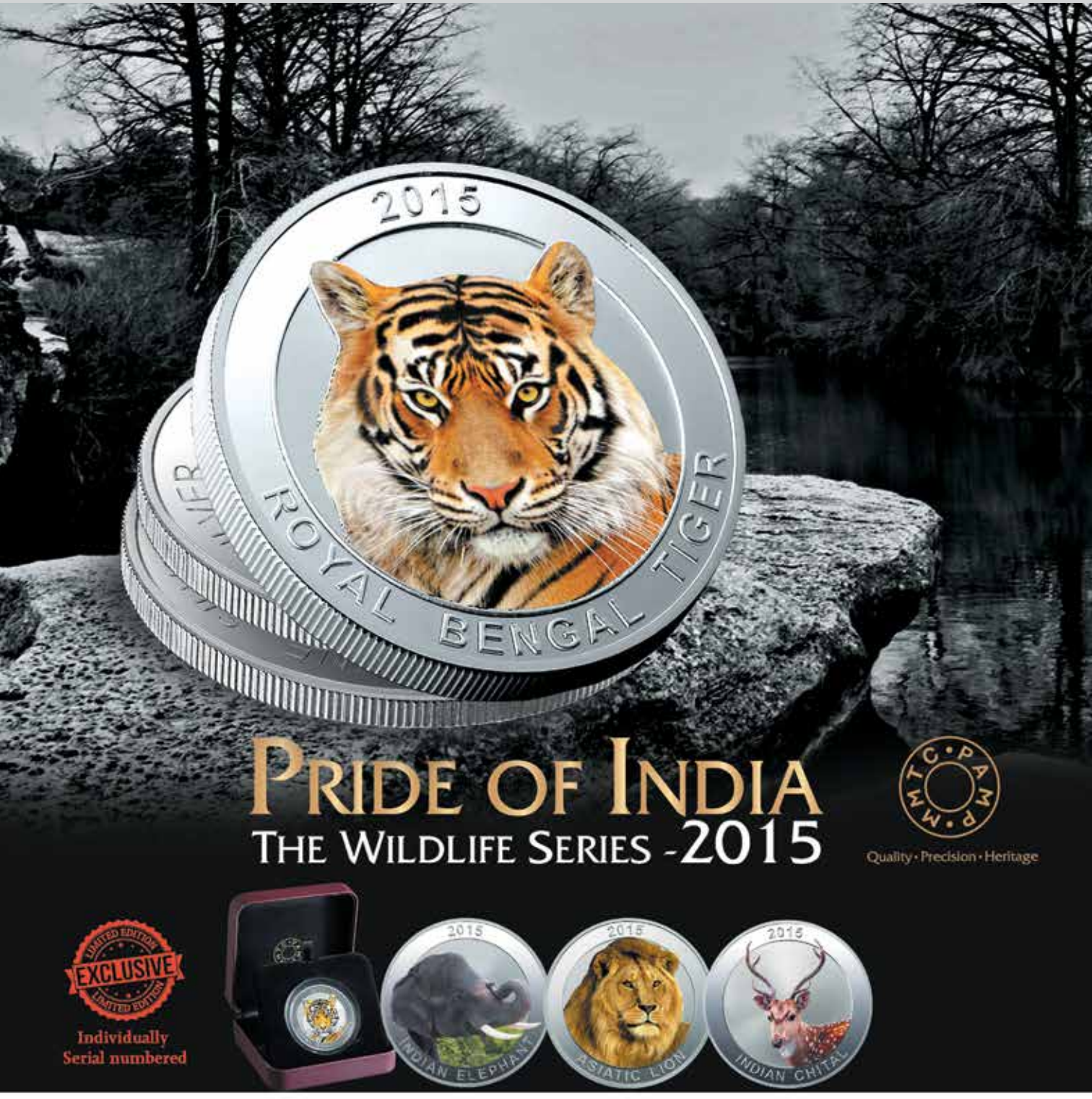






www.dpmc.ae

ISSN 2277 - 7350 ⌘ RNI No. KARBIL/2011/40219 ⌘ Registered No. KRNA/BGE-1091/2015-2017 ⌘ Posted at Bangalore PSO 560026 on 7th & 10th of every month Licensed to post without pre-payment No - 269 - No of pages 42



WORKS: MMTC-PAMP INDIA PVT. LTD
Rojka-Meo Industrial Estate | Tehsil Nuh
District Mewat | Haryana- 122103 | India
Tel: +91-124-2868000

LBMA GOOD DELIVERY REFINER Good Delivery Gold and Silver Refinery

An MKS PAMP GROUP Company

CORPORATE OFFICE: C -27 | 3rd Floor | Qutab
Institutional Area | New Delhi 110 016 | India
Tel: +91-11- 49684200
Website: www.mmtcpamp.com

Dealership enquiries invited- Email: info@mmtcpamp.com