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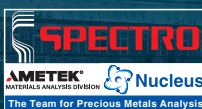
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Dear Readers,

Greetings!

In an unprecedented move, the people of United Kingdom have voted to exit the European Union in a referendum earlier last month, resulting in massive turmoil in global financial markets. Stock markets across the world, except the United States, fell on arrival of the 'Brexit' news. Pound Sterling fell to 1985 low against the US dollar. Gold is one of the few assets that has gained in this doldrums. In fact, gold has proved once again that it is the substitute of all 'fiats', either Pounds, or Euro or the US dollar (as seen in the last decade). The fiat currency system is less than 50 years old; it has created huge froth in the financial system, especially the reserve currencies. The investors' confidence is at record low to lend money to these economies, who have taken negative to zero interest rate to inflate the economy. The Brexit has further complicated the situation. Though US dollar has gained in the entire fiasco, Federal Reserve has to think seriously now when it wants to increase the interest rate. It is to be seen if US dollar could return the confidence back to investors and until then, gold will stand alone as currency of last resort. Our experts have presented their views on the impact of Brexit and have unanimously voted in favour of gold.

The Union government has extended the deadline for excise registration for jewellers till 31st of July. The excise duty however would have to be paid from 1st March, 2016. The assessee jewellers could make the payment of excise duty for March to June 2016 by the extended date of 31st July. It is clear that government will not withdraw the 1% central excise duty under any circumstances. The industry has to accept the new reality and should take guard accordingly.

Monsoon has been progressing well all across the country. The expectation is high that India will have better crop than last two years. Rural India is a natural buyer of gold and expectation is high that demand of gold will increase in second half of 2016. But, the rural segment is physical buyer of gold and current high price might be a dampener. Price could move further, and one has to remember the fact that currently gold price is at deep discount to global price and once the parity returns to market, price will be 5 to 6 percent higher than the current level. In global market gold could touch excess of \$1400/Oz which would translate to more than Rs.32000/10gm in India. It is to be seen how such high prices affect the physical demand.

Industry is assembling in August in Agra at IIGC 2016. Come and join this annual event to strategise your business better with this changing global as well as local market. Best wishes

Debajit Saha

Editor



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Gold Surges after Brexit becomes Reality

With Britain voting to exit the European Union, we expect to see strong and sustained inflows into the gold market driven by the staggering level of protracted uncertainty that investors now face. The gold price surged to US\$1,313.85/oz, up 6% from previous day, providing investors with a much-needed safe haven. Sterling is trading at a 31-year low and world equity markets have plummeted. The Bank of England has said that it stands ready to take whatever action is necessary, a mantra that is likely to be repeated by other central banks. In practice, this could mean interest rates move further into negative territory in parts of the world, another positive for gold. Central bank action has already capped the gain in other safe haven assets, with the Swiss National Bank intervening early.

Gold surges as Brexit becomes reality The gold price surged to US\$1,313.85/oz on 24th June, on the AM LBMA Gold Price, up from US\$1,265.75/oz the day before, and the highest level since 2014 (Chart 1). It traded as high as US\$1,358.54/oz in Asian trading hours, as news of a likely Leave victory started to emerge.

Chart 1: The gold price is back to its August 2014 level*



*The latest price as of 24 June 2016 is based on the AM LBMA Gold Price.
Source: Bloomberg, ICE Benchmark Administration Ltd., World Gold Council

Gold's performance vis-a-vis other assets has been even more impressive. Sterling has fallen to a 31-year low against the dollar and world stock markets have

tumbled. The FTSE100 and Euro Stoxx were down 5% and 10% respectively this morning at the time of writing (Chart 2).

Chart 2: UK Equities, European Equities and the British pound (index 01/01/2016=100)



Source: Bloomberg, World Gold Council

It is difficult to find an event to compare this to. While trading blocs have broken down before, none have been as sizeable and important to the global economy as Europe. The UK domestic, European and world implications are profound. Nor will it be a quick process. Once Article 50 of the Treaty on the European Union has been invoked, a two-year negotiation process will begin. In the meantime, the UK's decision could trigger referendums in other European countries. We could see Scotland, in the words of Nicola Sturgeon, "unequivocally vote to remain in the EU" calling for another referendum. Also Northern Ireland and the Republic of Ireland will start emergency talks with the UK and EU to manage the border situation. Today's result could also spur populist parties in countries such as France and Germany, which have elections next year.

Gold fulfils its classic safe haven role

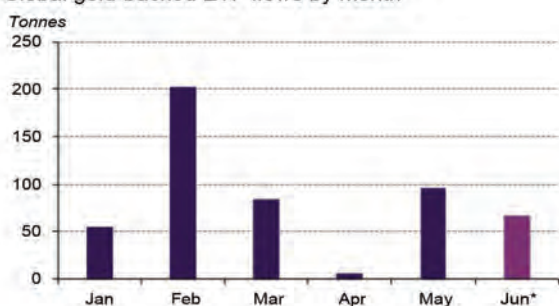
Gold is fulfilling its classic role as a safe haven asset and performing exactly as the many investors that bought it in the run up to the referendum will have hoped. We expect to see strong and sustained inflows into the gold market driven by the intense market uncertainty that now faces the global markets. Gold ETF holdings have



also been increasing sharply, a trend we expect to see accelerate, as both retail and institutional investors re-allocate funds to gold (Chart 3). Purchases of gold coins by small retail investors, which were already up sharply in the months running up to the vote, should accelerate further.

Chart 3: Gold-backed ETFs already benefited from flight-to-quality flows in June, and we expect more

Global gold-backed ETF flows by month



*As of 23 June 2016.

Source: Bloomberg, Respective ETF providers, World Gold Council

There has already been a sharp uptick in activity on the Shanghai Gold Exchange. Trading volume spiked, reaching 346t compared to a daily average of close to 100t since the start of the year.

We could also see an increase in central bank purchases of gold. Sterling is one of the world's few reserve currencies, but has fallen to a 31-year low. Moreover, S&P Global Ratings said this morning that UK bonds could lose their AAA credit rating.

Negative interest rates to support gold demand

As well as market uncertainty, gold is supported by monetary policy actions. If central banks are forced to implement supportive measures they will likely come in the form of further extraordinary actions, new rate cuts or delays in planned hikes. Worse-than-expected US labour market data and a downgrading in economic growth forecasts in June had already seen expectations of a US Federal Reserve interest rate hike pushed out to the end of the year. Britain's departure from the



Increasing Global Uncertainty and Gold

Prof Charan Singh, RBI Chair Professor, IIM, Bangalore



Increasing Global Uncertainty and Gold

The Brexit (BT) is a unique experiment and its repercussions will be long and thereafter. The markets, financial, currency and commodities, are expected to be hit. As London was the hub of many commodity markets, and with the not-so-friendly exit from Euro, things are expected to change for Britain with BT.

The uncertainty prevailing in the global market will increase because the BT will not be easy and can take up to a decade to get completed. It is just not about the duration of existence of Euro or European Union but much more, as the relationship of countries in

the regional bloc had been organic in nature built over centuries. The separation will not only be painful but long drawn out, both at the levels of public and private participation and businesses. The once mighty power called Great Britain, shrinking since last seven decades, can be expected to shrink further and faster. In such circumstances, the mighty pound sterling may cease to be a reserve currency and hence lose value rapidly. The exit from Euro, and the prodding that it would give to other countries to leave, would weaken the Euro too. The US Dollar would weaken given the slower than expected recovery in the US economy and which is facing fierce competition from Asia, including China, Japan and India, not to mention about other fast growth emerging economies like Brazil, South Korea, and Russia.

In such circumstances, Gold will be the only commodity which would serve as an anchor of value, time tested for thousands of years, and held as stock, in almost every central bank. In these uncertain times, when battle for the mantle of global super-power has begun, gold prices and gold trading will look northwards. Gold mining and exploration will get a boost, and mining explorations to unexplored areas, including ocean surfaces, would increase. Freshly explored and mined gold would take years to meet global demand and until then prices and gold trade would stay at heightened levels.

In India, as demonstrated empirically, gold will become an investible-highly-sought-after asset and held-back commodity for hedging purposes, and gold monetization scheme may not be successful to unearth gold held in households to place it in circulation. Government's scheme for gold coins can be expected to succeed in years to come adding pressure on global gold demand.

Gold after the Referendum

Jeffrey Christian, MD, CPM Group

The U.K. referendum has resulted in a decision for England to leave the European Union. In the immediate after-effect gold prices spiked sharply higher, touching \$1,362 at one point

in overnight trading and trading around \$1,320 - \$1,325 in morning trading in New York. By mid-morning in New York gold prices had subsided further, to around \$1,311.



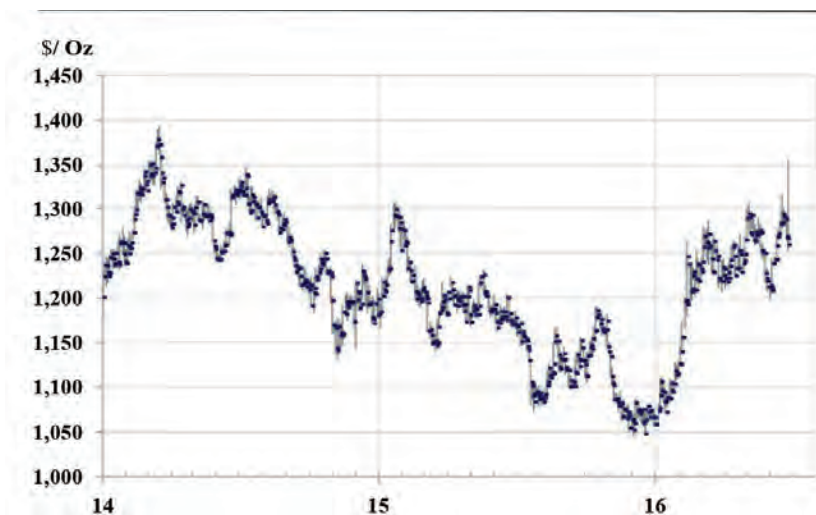
CPM's view has been that gold prices would subside after the referendum, regardless of the outcome. We had said that a vote to leave could lead to an immediate spike in gold prices to levels above \$1,320, but that once such a spike occurred prices would likely fall back. To emphasize that point: We have said, and we still expect, that prices will fall back once the immediate news of the vote has passed. The positions we helped clients put in place in advance of the referendum are designed to take advantage of a decline in gold prices back toward \$1,220 between the vote, now, and late September. We still fully expect prices to decline once the news has been digested, and to decline further as the summer progresses. Whether prices fall back to \$1,220, find support above that level, or drop back to \$1,180 or even \$1,130 is unclear at this time. The lower levels no longer seem likely,

given the ongoing uncertainties in the U.K., U.S., and global political and financial realms. Furthermore, the generally positive gold price performance so far this year is likely to result in market participants treating the weakness in gold prices as a buying opportunity versus waiting to see how much lower gold prices may decline, an approach employed by many in the markets in recent years.

By Friday afternoon there were reports of significant profit-taking in the London and New York markets, as investors and others who had bought gold or gone long in advance of the referendum booked profits and got out of those short-term long positions. There could be some significant liquidation Friday afternoon as New York funds seek to lock in profits and reduce their long

exposure before the weekend. Over the next few days, next week, we expect prices to subside further. Going forward, the U.K. decision to leave the European Union will have significant effects across markets. Currency issues will be important to gold. People were moving away from sterling to the U.S. dollar, Canadian dollar, euro, and gold leading up to the vote. With the decision to leave, that trend may continue, but at a less virulent pace. In the face of big financial dislocating events such as the U.K. vote it is not unusual for both gold and the dollar to rise, as they did today. Gold and the dollar are the two ultimate safe haven stores of value. They rose in unison at times in 2008, in 1979, and at other times of such financial stress and uncertainty. That said, the stronger dollar could become a negative for

Gold Prices: 1 January 2014 to 24 June 2016



gold over the next few weeks. Over the next few trading days the lower stock markets could also trigger gold sales, for liquidity, margin calls, and to offset losses in equities markets. Given that CPM expects equity markets to stabilize quickly, over the next few days, this may be limited, however.

There could be further moves toward political devolution in the wake of the U.K. vote. Scotland seems likely to leave the United Kingdom and seek to rejoin the EU. Northern Ireland also may seek to exit the United Kingdom. Other EU countries may seek to exit or renegotiate their EU membership, as England had over the past few years. It remains to be seen whether

EU officials are chastened enough by the British vote to seek to adjust EU policies to be more accommodating and realistic, as a means of revising the European Union rather than seeing it dismembered. Bureaucrats hate to give up power, even if it is obvious to neutral observers that some loss of power is inevitable, and refusing to yield to one's constituents in a compromised solution can lead to much larger losses of political power later.

The nationalistic trends behind the U.K. vote are the same that have propelled the Trump candidacy in the United States, and reflect a broader trend globally that bears watching.

"It looks increasingly clear that the United Kingdom has voted to exit the European Union. Markets are trying to factor the consequences of this development and this has already led to sharp corrections in financial markets around the world.

The Indian economy has good fundamentals, low short term external debt, and sizeable foreign exchange reserves. These should stand the country in good stead in the days to come.

The Reserve Bank of India is continuously maintaining a close vigil on the market developments, both domestically and internationally, and will take all necessary steps, including providing liquidity support (both dollar and INR), to ensure orderly conditions in financial markets."

What Reserve Bank of India (RBI) Thinks on Brexit

Statement by Dr. Raghuram G. Rajan, Governor



Impact of Brexit – RBI monitoring developments

In the run up to the referendum in the United Kingdom on its continuing in the European Union ("The Brexit"), uncertainty about the poll outcome has resulted in some amount of turbulence in global financial markets, including in India. The RBI is maintaining a close vigil on developments, and will take all necessary steps, including liquidity support, to ensure orderly conditions in financial markets'.

No Going Back - Gold proving its worth

Tom Kendall, ICBC Standard Bank



The UK referendum result will result in a rapid fall in the probability of a September rate hike in the US. Treasury yields have already slumped: 10-year yields have slumped from just under 1.75% at the close in New York last night to a low this morning in London of 1.4041%.

That is a huge move for Treasury markets and for now will outweigh the deflationary effects on real yields of a stronger dollar and falling energy prices.

It is now highly likely that the Fed will be unable to hike rates this year. The "one and done" mantra is back and has a lot more credibility now than it did a year ago. That alone will be supportive of gold.

Add to that the need for increased central bank intervention in FX markets to smooth volatility and supply additional liquidity, and the ramifications of polarizing politics in Europe, and the outlook for gold could be quite bullish.

The reaction overnight in Asia has been huge: the SGE T+D contract has traded a record 286 million lots (equivalent to 143 tonnes) and 300,000 lots of Comex gold futures have already traded - that's around 7x the norm.

We expect both institutional and retail investment demand across Europe and the US to remain robust in the short term.

In relative terms, gold has just become substantially more attractive

compared to base metals and will continue to outperform platinum and palladium.

There are some caveats: the strengthening of the dollar will be something of a headwind; speculative positions on Comex are already at record levels; and the short-term volatility (a \$100 range overnight) will keep many bullion dealers and jewellery buyers on the sidelines for now. Producer hedging will become increasingly attractive.

Nevertheless, the upward momentum looks sustainable for a while yet. Gold has made a clean break now of the technical resistance of \$1,308. A close above \$1,333 this evening would open the way on the charts to the \$1,385/92 area.

At that point we would expect momentum to be fading and would anticipate a period of profit-taking and consolidation.

Mahendra Naik, CPA, CA, President & CEO, First Gold International Inc.

FirstGold International Inc

- In the short term, say next six months, there will be a lot of gold price volatility in U.S. dollars.
- The sharp rise in gold price after Brexit vote, proves once again, "gold's safe haven status" amongst investors worldwide, especially in the western world.
- We are witnessing very significant "physical" buying of gold through "exchange traded funds", gold coins and bars in the U.K., Europe, U.S. and Hong Kong/China.
- The Brexit vote and the "volatility and uncertainty"



in the currency and financial markets will definitely cause the U.S. Federal Reserve to delay

raising interest rates and this in turn will be very positive for gold price.

- On balance, the flow of "physical" gold trade will "slow" down between West and the East, however, the overall "physical" demand will remain very strong.
- The strong "physical demand" in gold will definitely "underpin" a higher "base" for gold prices and that should be very positive for all gold producing mining companies.

the world. In the event of a Brexit victory this Thursday we will likely see official demand for gold pick up as the appeal of holding central bank reserves in pound- and euro-denominated assets diminishes.

Apart from Brexit-related considerations, gold-price performance in the next few months will be largely "data driven," that is reflecting the ebb and flow of the economic indicators.

More than anything else favoring gold, a persistently disappointing economic and financial-market performance with weaker-than-expected business activity in the United States and, even more so, globally will force the Fed and other central banks to keep their feet on the monetary accelerator.

Indeed, against a backdrop of "secular stagnation", the Fed will find it difficult to raise short-term interest rates and may seek alternative monetary measures to stimulate the economy. The European Central Bank, the Bank of England, the Bank of Japan, the People's Bank of China, and other central banks will similarly undertake more stimulative easy-money policies—policies that are decidedly pro-gold.

■ ■ ■

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

Gold Set to Surge—Brexit or Not

Jeffrey Nichols, Senior Economic Advisor, Rosland Capital

Whatever the outcome of this Thursday's "Brexit" referendum on the United Kingdom's future to stay in or to exit from the European Union, gold prices are set to move significantly higher during this year's second half.

Should the British reject devolution, gold prices might briefly move a little lower—even though, in the days running up to Thursday's referendum, the financial markets may already have "priced in" a no-vote.

By contrast, a majority vote to exit the European Union would likely create years of uncertainty over the terms of the prospective divorce agreement—and uncertainty of this sort is always good for gold.

Non-dollar gold prices are already showing relatively more strength



denominated in terms of the British pound and the EU euro. But both currencies remain vulnerable to a European split—and, as a result, I expect gold's relative price strength denominated in these currencies could extend further.

The British pound and the euro are also important official reserve assets held by many central banks around



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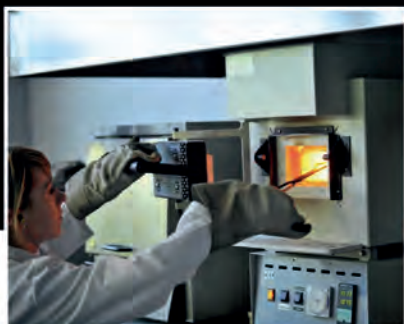
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India Ratings

Soumyajit Niyogi, Associate Director, Credit & Market Research Group, India Ratings & Research.



There are two sides to a lower CAD for an economy like India that is reliant on private transfers, mainly remittances, and services exports to maintain a healthy and sustainable current account position.

The Indian rupee (INR) has been demonstrating a steady performance since beginning of this fiscal. But as compared to other notable emerging market currencies, performance of rupee in the last six months has been weaker. Brazilian real, Russian ruble or Indonesian rupiah have performed better than Indian rupee plausibly due to the recovery in commodity prices. Now the real testimony for the Indian rupee will be to demonstrate similar stability against the large foreign currency non-residential deposit (FCNR (B)) maturity, particularly after Brexit. It can be assumed that the Indian rupee will likely face lesser volatility than other emerging market currencies. I believe the Indian rupee will remain largely stable driven by

its own inherent strength. Before we take this discussion a bit further, let us first go through the fundamental condition of Indian rupee.

Financial linkages between two countries are through trade and capital flows, whereas currency plays the role of medium. The ultimate difference between the fundamental values of two currencies is based on inflation differential, productivity difference, trade possibilities and openness of a country towards trade and capital. However most of these factors are extremely structural and do not change in short term, hence we are not going to delve into these currently.

The core inflation based on combined Consumer Price Inflation which excludes volatile food items has been remarkably anchored at around 4.5%, lower than 6.5% in the previous period. Inflation differential between India and the US and Europe has come down to a mid-single digit from a high single digit. Like for other developing countries, India's Wholesale Price

Index, which is a real measurement of inflation at producer's level, has come down. This is mostly due to slump in commodity prices. Although the difference is expected to go up in coming months, it will remain benign. This is the major factor to believe the rupee at least on a fundamental basis will remain stable.

Thanks to low commodity prices, current account deficit (CAD) has been at a comfortable zone. Low CAD suggests stability on the external front. However, there are two sides to a lower CAD for an economy like India that is reliant on private transfers, mainly remittances, and services exports to maintain a healthy and sustainable current account position. On one side, the low crude prices and collapse in the global prices of commodities have resulted in a lower trade deficit. On the other side, oil-rich economies in the Middle East have suffered due to low oil prices, which impacted the remittances of workers working overseas.

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since the beginning of 2016, both equity and debt flows have failed to exhibit any meaningful revival. Since January, net inflows through portfolio channel have clocked little over USD1bn.

Capital account is the major determinant of a currency on a short to medium term perspective. India's dependency on commodity import especially oil has mostly been the cause for a high CAD. On the other hand, high capital account flows have been the major savior against the deficit balance in CAD. However, since the beginning of 2016, both equity and debt flows have failed to exhibit any meaningful revival. Since January, net inflows through portfolio channel have clocked little over USD1bn. This corroborates the lowest capital account surplus in 4QFY16 since 2QFY14. In the past, net inflow in the capital account has been the saviour of a high CAD. The pressure point in trade deficit may get amplified with a fragile domestic recovery and a further slowdown in the global economy. It is unlikely that the global risk preference will settle down in the near term. Consequently, attracting capital flows through portfolio or foreign direct investments will be critical for the market trajectory.



Other than fundamental factors, currency has become the frequently used tool to maintain trade competitiveness. Hence, a further slowdown in the global economy may prompt exporting countries to rely on currency as a mechanism to revitalise their trade positions in the short term.

Brexit and Rupee- a real challenge
Brexit has emerged as one of the

biggest challenges to the policy makers and for the financial market participants since the global financial crisis. The collapse of Lehman Brothers in 2008 led to the global financial market mayhem and spilled over to the real economy within a short span of time. Likewise, the real impact of Brexit is slowly evolving and may turn out to a snowball event if more countries follow suit. Now the Brexit has

Brexit has forced global central banks to tackle a new challenge before finishing up ongoing issues. The intriguing and puzzling position of central banks with limited resources against increasing criticalities, will keep global currency on tenterhooks.

The major period of volatility will be during the phase of FCNR (b) redemption followed by US presidential election in November 2016. In the backdrop of these factors, the rupee trajectory by December 2016 seems to be around USD/INR 68, with a relatively stable outlook.

forced global central banks to tackle a new challenge before finishing up ongoing issues. The intriguing and puzzling position of central banks with limited resources against increasing criticalities, will keep global currency on tenterhooks.

FCNR (B) redemption:

The biggest challenge for the rupee in 2H16 is to conclude FCNR

has also become more critical. The redemption will start from September 2016, and tail risks may get pronounced on account of external volatility. During 2013, the RBI introduced a new FCNR (B) deposits scheme to accumulate foreign currencies due to the worsening balance of payment conditions. The RBI offered a special window to banks to swap

window was USD25.97bn. Against the commitment to banks to provide requisite USD, the RBI has simultaneously hedged its exposure with other entities.

What are the alternatives available for RBI? The straight forward solution is the utilisation of foreign exchange reserve, which stood at USD360bn as of 24 June 2016. The amount can go up by September 2016, depending on flows. The RBI can also use the line of credit arrangement with other central banks. It signed an agreement with Bank of Japan in September 2013, for the swap amount of USD50bn to address the possible short-term liquidity mismatches.

Nonetheless, I expect the rupee to be mostly supported by a comfortable current account gap in FY17. As the concern from the US Federal Reserve's action has mostly been alleviated, the scope for an uptick in domestic growth and global risk appetite will determine the rupee trajectory. The major period of volatility will be during the phase of FCNR (b) redemption followed by US presidential election in November 2016. In the backdrop of these factors, the rupee trajectory by December 2016 seems to be around USD/INR 68, with a relatively stable outlook.

(Views are personal)



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(B) maturity without creating a major impact on the currency and domestic liquidity market. My view on this large redemption is mostly undisruptive, but the evolving condition after Brexit

foreign currency, mobilized for a tenor of three years to five years at a fixed rate of 3.5% annually for the tenor of the deposit, with FCNR (B) dollar funds. The total amount raised through FCNR (B)

Our bullish technical outlook for Gold and Silver has been given a boost following Brexit

Analyst, **Karen Jones**



Spot Gold. Our longer term bullish bias has been entrenched for some time – ever since February 2016 in fact, when the market broke higher from a falling wedge pattern. These are well documented reversal patterns, and it offers us an upside measured target to 1450. This upside bias will remain fully entrenched while above the 1200 May low and above the 55 week moving average at 1170.

The falling wedge pattern offers a potential time frame as well, which suggests that this target is achievable by Q1 2017, however given the risk off environment post Brexit the risk is that this target will be achieved much earlier.

Short term we notice that the market has rallied to the 55 month ma at 1359 and we would allow for some near term consolidation below here. Initial dips should find some support circa 1284/1266 ahead of key support at 1200/1170.

Could the 1450 target be exceeded? Quite easily. Should a weekly close above 1450 be seen, further upside targets of 1491 then 1522 will engage. These represent the 50% retracement of the move down from the 2011 peak to the 2015 low.

CHART 1: Spot Gold Monthly chart

Rally has reached the 55 month ma at 1359



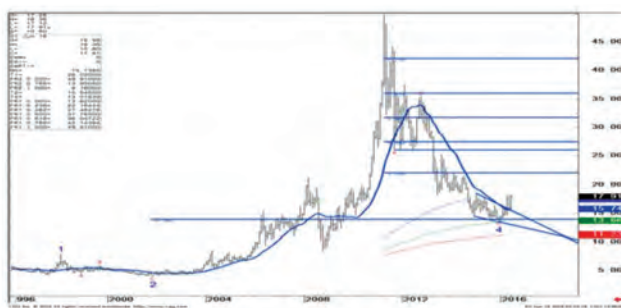
Spot Silver. The silver market has also broken higher from a falling wedge pattern. This offers an upside measured

target to 20.00/20.06 longer term. Our initial upside target is 18.75/88, the 23.6% retracement of the move down from the 2012 peak. Our longer term bullish bias will remain entrenched while above the 15.80 May 2016 low.

Spot Platinum. The consolidation above the 951.50 level is viewed positively short term (50% retracement of the move up seen this year). However given the tough resistance at 1100/1124 (55 month ma) we suspect that the market will struggle at this resistance over the next 3 months. Above here would see further upside targets of 1165/1250 engage.

CHART 2: Silver Monthly chart

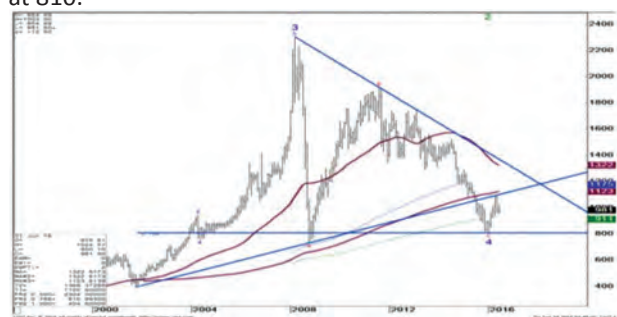
20 month ma at 15.74 now under pinning.



Source: CQG

CHART 1: Platinum Monthly

Market has based longer term at the 78.6% retracement at 810.



Source: CQG

Spot Palladium. With the market unable to overcome even the 55 and 200 day moving aver-ages, there is a



negative bias. This will remain while the market remains capped by the 638 2014-2016 downtrend. Initial resistance lies at the 588.76/55 week ma. Current the risk re-mains for slippage to 500 and potentially the 453.49 2016 low.

CHART 4: Spot Palladium weekly chart

Negative bias while capped by the 2014-2016 downtrend at 638



Source: CQG

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Make in India Campaign and the Gold Refineries

James Jose, MD, Chemmanur Refinery



In the aftermath of the Govt's decision permitting actual user gold refineries to import their feed stock gold dore, the country has witnessed a massive expansion in the number of world class gold refineries. Presently the gold refineries in domestic

tariff area are having a combined refining capacity of 750 tonnes per annum and those in the excise free zones also have a similar refining capacity, all of which were built up against the country's consumption and import of 1000 tonnes of gold per annum.

However, these refining capacities are hardly utilized, as indicated by the last year's domestic bullion production of 250 tonnes and the remaining 750 tonnes are still supplied by the gold refineries in Europe, Australia etc. The main reason for this huge under utilization of refining capacity is that feed stock gold dore is available in limited quantities only, mostly based on long term contracts. The large refineries are having their long term contracts with the mines abroad, whereas the medium scale refineries are mostly dependent on the alluvial gold dore originating from the artisanal mines of west and central Africa and Latin American countries like Peru, Columbia etc. These artisanal mines were earlier supplying the dore to the gold refineries in middle east and when the gold refineries in India offered them better pricing, these quantities got diverted to those refineries in India. The gold refineries in excise free zones are enjoying a 1% price advantage which is often utilized to

pay premium prices for the limited quantity of alluvial dore available worldwide. Ghana was one such trading partner for the medium scale gold refineries in India, but the imposition of 10% export tax in Ghana, which was subsequently reduced to 3%, adversely affected the exports of dore from Ghana to India from 2016 January onwards.

After the February 2016 union budget and the jewelers' strike against the 1% excise duty imposed on them, demand for bullion was practically Nil in March and April. These lower volumes of bullion and dore import continued even in May and June, leading to a 60% drop in bullion imports, as compared to the previous year.

The recent changes in the excise duty on bullion has taken away much of the operating margins of gold



refineries leaving with them only a paltry 0.65% duty difference over imported bullion, and this is hardly sufficient to cover the funding cost and transportation expense of importing dore from the not so well connected mines of Africa and Latin America.

Duty paid import of bullion for domestic consumption, qty in tonnes

2014-15	tons	2015-16	tons	2016-17	tons	Remarks
April	40	April	54	April	16.5	sharp drop in imports
May	45	May	29	May	10	sharp drop in imports
June	90	June	18			
July	38	July	59			
Aug	63	Aug	89			
Sep	92	Sep	18			
Oct	115	Oct	15			
Nov	177	Nov	63			
Dec	24	Dec	80			
Jan	23	Jan	44			
Feb	35	Feb	9			sharp drop in imports
March	111	March	9			sharp drop in imports

During the period of jewelers' strike in March & April, gold prices in India went down below the LME levels, making it financially unviable for the gold refineries and

traders to import gold at LME levels. With a considerable portion of the gold trade going under ground in an excise era, official imports are expected to continue at the present lower levels. And the market has started operating on a cash basis, catered by the grey market / unofficial channels and smuggling, with prices remaining at below LME rates of 4 – 5% discount, which has made the business

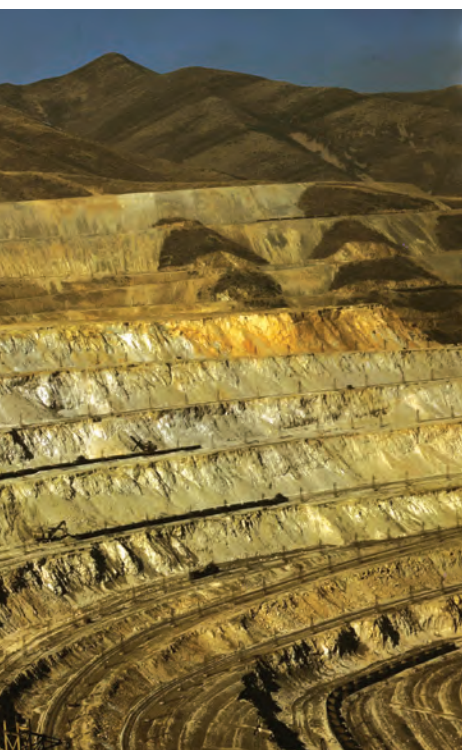
unviable for the official channels of gold refineries, bullion traders and importing agencies. Consequently the gold dore exports to India got diverted to the gold refineries in the middle east.

This trend is expected to continue in the business offseason periods till mid August. The news of Brexit has boosted the demand and price for gold elsewhere, but not to that extent in India.

Unless and until the Govt supports the official channels by reducing the import duty to 6% from the present 10%, so as to make smuggling unattractive, the official channels of imports may remain dormant, also leading to considerable loss of revenue to the govt. The refiners, traders and nominated agencies are requesting the Govt to bring down the import duty on gold to realistic levels, so that the huge gold refining infrastructure built up over the years shall not lie idle, making a mockery of the Make in India campaign of the Govt.



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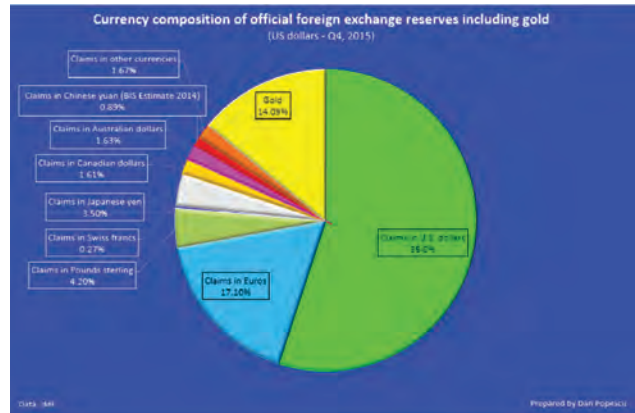
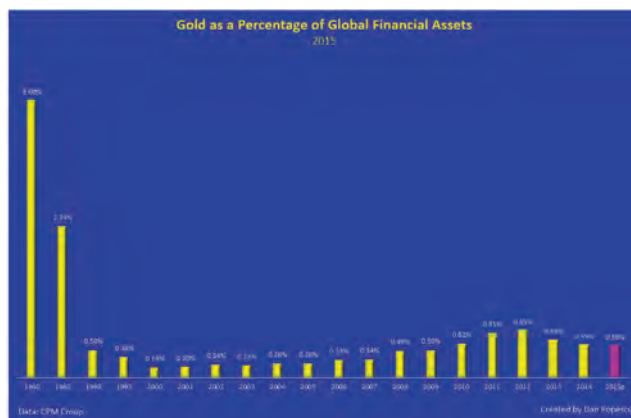


Be your own Central Bank and buy Gold

Dan Popescu, Gold & Silver Analyst, Member of the Goldbroker.com Editorial Team

Gold is becoming more and more acceptable in the investment community and especially since interest rates have approached zero and in some countries even gone negative. Until recently no portfolio manager would have mentioned gold and even less recommended it. Since the beginning of the year, soon after some called gold just a useless and worthless rock going down to at least \$400, a list of hedge fund managers came out with bullish calls for gold and indicated they have been buying. After years of denigrating gold, the investment profession is starting to discover the liquidity trap and acknowledge the value of cash and, more specifically, gold and its place in a diversified portfolio. It remains that gold, as a percentage of global financial assets in 2015, represented only 0.58% vs 2.74% in the '80s and 5.00% in the '60s.

World central banks are much better positioned in 2015 with 14.09% of international reserves, with the U.S. and the Euro Area well above a historically considered prudent level of 10% in a balanced investment portfolio. The world average is 9%. The U.S., with 74.9%, and the Euro Area, with 55.9%, are well above that, while Canada, with 0%, is well below.



In a recent (May 11, 2016) interview Solita Marcelli, from JPMorgan Private Bank, said, "Central banks may consider diversifying their reserves [as they anticipate] negative rates on existing holdings," and, "Gold is a great portfolio hedge in an environment where the world government bonds are yielding at historically low levels." She also added that, "Gold is looking more and more attractive every single day ... As a non-yielding asset, it has a minimal storage cost, so when you compare it to negative-yielding assets, it actually has a positive carry."

In a May 3rd, 2016 article Kenneth Rogoff, former chief economist of the IMF and Professor of Economics and Public Policy at Harvard University, recommends that developing countries and, more specifically, China increase their gold reserves above 10%. For China to increase its gold reserves from the present 2.2% level to more than 10%, it would mean a substantial increase in gold purchases, which are already high. If only China of all the developing countries would do it, it would have a significant impact on the visible gold market, which was only 4,455 tonnes in 2015. I and most gold analysts think China already has 4,000 tonnes of gold in its possession, but not accounted as official international reserves. All China would have to do is switch those gold holdings



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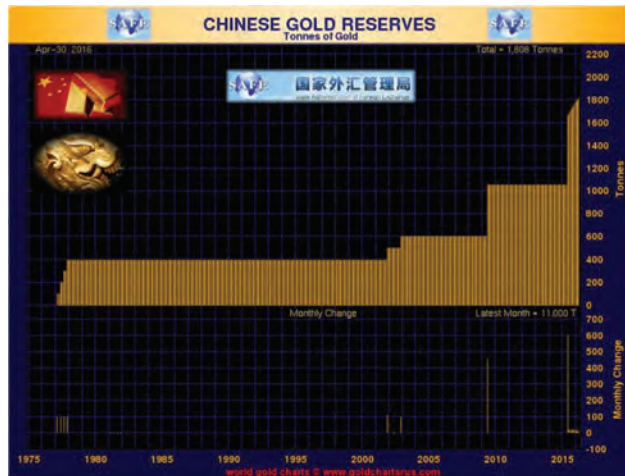
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from the other institution that holds it to the Popular Bank of China (PBOC).



Below I created a table with all the IMF countries with gold reserves below 10% who qualify, according to Mr. Rogoff. The major developed countries are in red and the developing countries are in black.

Countries with less than 10 percent official gold reserves

Jordan	9.9%	Libya	5.8%	Bosnia and Herzegovina	2.5%
Philippines	9.5%	Syria	5.8%	Japan	2.4%
Kyrgyz Republic	9.5%	Paraguay	5.4%	Peru	2.2%
Kuwait	9.5%	Brunei Darussalam	5.3%	China	2.2%
United Kingdom	9.0%	Mozambique	5.3%	Saudi Arabia	2.1%
Mauritius	8.7%	Algeria	4.6%	Singapore	2.0%
Lithuania	8.7%	Papua New Guinea	4.4%	Albania	2.0%
Ukraine	8.6%	Poland	4.3%	Bangladesh	1.9%
Argentina	8.3%	Denmark	4.2%	El Salvador	1.7%
Luxembourg	8.3%	Myanmar	3.9%	Malaysia	1.5%
Sweden	8.2%	Taiwan	3.7%	Qatar	1.4%
Ghana	7.6%	Morocco	3.7%	Iceland	1.3%
Latvia	7.5%	Tunisia	3.6%	Yemen	1.2%
Ireland	7.1%	Guatemala	3.6%	South Korea	1.1%
Switzerland	6.7%	Haiti	3.6%	Trinidad and Tobago	0.8%
Serbia	6.7%	Thailand	3.5%	Brazil	0.7%
Bulgaria	6.6%	Bahrain	3.1%	Czech Republic	0.5%
Cambodia	6.5%	Nepal	3.1%	Hungary	0.4%
Iraq	6.5%	Indonesia	2.9%	United Arab Emirates	0.4%
Australia	6.4%	Mexico	2.7%	Colombia	0.3%
India	6.3%	Nigeria	2.6%	Hong Kong	0.0%
				Canada	0.0%

Source: IMF May 2016

Dan Popescu

According to Kenneth W. Hoffman, metals and mining analyst at Bloomberg Industries, “Based on conversations with officials in China and Mongolia, it’s evident that China feels they want as much gold, as much as the U.S.” The U.S. has 8,133.5 tonnes. However, China doesn’t want to disturb the gold market by substantially increasing its gold purchases and thusly push the price higher before it has achieved its target of just a little bit more than the U.S., around 8,500 tonnes.

Kenneth Rogoff surprised many by his 10% recommendation. He is not a gold advocate and he actually himself takes enormous care to distance himself, not in a very professional manner I would say, from those who advocate a form of gold standard by calling them “American far-right crackpots”. Kenneth Rogoff has argued recently in favor of banning cash so that governments can effectively introduce negative interest rates. He states in his article that, “With interest rates

stuck near zero, rich-country bond prices cannot drop much more than they already have, while the supply of advanced-country debt is limited by tax capacity and risk tolerance.” He continues by saying, “Gold, despite being in nearly fixed supply, does not have this problem, because there is no limit on its price. Moreover, there is a case to be made that gold is an extremely low-risk asset with average real returns comparable to very short-term debt. And, because gold is a highly liquid asset – a key criterion for a reserve asset – central banks can afford to look past its short-term volatility to longer-run average returns.” Gold, after being denigrated for years by the investment and economic profession as a worthless and useless rock (not even a metal)... to hear an eminent economist (not from the Austrian School of economics which are supposed to be “American far-right crackpots”) calling gold “extremely low-risk asset” and “highly liquid asset” is quite a surprise.

Why would he do it and why now? Author Jim Rickards of The New Case for Gold speculates in his latest newsletter Strategic Intelligence, and I think he is right – that what Mr. Rogoff wants is to push the price of gold up and, in so doing, create inflation by having the IMF and emerging markets do the dirty work so the U.S. Congress and the taxpayers wouldn’t know where the inflation is coming from.

When I became bullish on gold in 2004 and speculated that gold would hit \$5,000 within about 15 years, it was based among other things on a stampede by central banks similar to what happened after the collapse of the London Gold Pool in 1968. If Kenneth Rogoff’s recommendation is reiterated by other well-known personalities it will give credibility and acceptance by central banks in general to increase their gold reserves, ridicule Bank of Canada’s decision to sell all its gold reserves and encourage the investment management community to do the same, creating a stampede on gold as in the ‘70s. The major

players in the official gold reserves sector that could follow Mr. Rogoff’s advice are already major buyers of gold: China, India, Iran and Saudi Arabia. Russia is already above that level at 15% and is continuing to increase its gold reserves at a fast pace.

Mr. Rogoff doesn’t mention developed countries but I would not be surprised if some would do it too. I am thinking of the UK, Switzerland and Canada who, in recent years, have been quite anti-gold. Economists like Mr. Rogoff can give public officials the needed cover to reverse their decision.

In an interview I did in 2014 with Marc Faber, editor of the The Gloom, Boom & Doom Report, he told me to “be your own central bank and buy gold”. I think this is excellent advice. The 10% Mr. Rogoff recommends for developing countries’ central banks is also a good allocation, more or less, for individuals, depending on their personal circumstances.

.....
Mr. Popescu is an independent investment analyst and studies the gold and silver market and their future role in the international monetary system. He has followed regularly since 1970 the gold, silver and foreign exchange markets. He has a bachelor degree in physics (1993) from Concordia University in Montreal, Canada and has completed the Canadian investment management certificate (1999) of the CSI.

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Gold and the Keynesian Death Spiral

Steve Saville, Editor, The Speculative Investor



Almost anything can be a good investment or a bad investment — it all depends on the price. Relative to the prices of other commodities the gold price is high by historical standards and in dollar terms gold is nowhere near as cheap today as it was 15 years ago, but considering the economic backdrop it offers reasonable value in the \$1200s. Furthermore, considering the policies that are being implemented and the general lack of understanding on display in the world of policy-making, there's a good chance that gold will be much more expensive in two years' time.

The policies to which I am referring are the money-pumping, the interest-rate suppression and the

increases in government spending that happen whenever the economy and/or stock market show signs of weakness. These so-called remedies are actually undermining the economy, so whenever they are applied in response to economic weakness they ultimately result in more weakness. It's not a fluke, for example, that the most sluggish post-recession economic recovery of the past 60 years went hand-in-hand with history's most aggressive demand-boosting intervention by central banks and governments.

It's a vicious cycle that can aptly be called the 'Keynesian death spiral'. The Keynesian models being used by policy-makers throughout the world are based on the assumption that when interest rates are artificially lowered and new money is created and government spending is ramped up, the economy gets stronger. The models are completely wrong, because falsifying price signals leads to investing errors and therefore hurts, not helps, the overall economy, and because the government doesn't have a spare pile of wealth that it can put to work to create real growth (everything the government spends must first be extracted from the private sector). However, the models are never questioned.

When a sustained period of economic growth fails to materialise following the application of the demand-boosting remedies, the conclusion is always that the remedies were not applied with sufficient vigor. More of the same is hence deemed necessary, because that's what the models indicate. It's akin to someone with liver damage caused by drinking too much alcohol being guided by a book that recommends addressing the problem by increasing alcohol consumption. A new dose of alcohol will initially make the patient feel better at the same time as it adds to the existing damage, just as a new dose of demand-boosting intervention will initially make the economy seem stronger at the same time as it gets in the way of genuine progress.

The upshot is that although gold is more expensive today than it was 15 years ago, the level at which gold offers good value is considerably higher today than it was back then because we are now much further along the Keynesian death spiral.

■ ■ ■

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Circular No. 1033/21/2016 - CX

F. No. 354/25/2016-TRU
Government of India
Ministry of Finance
Tax Research Unit

New Delhi, the 1st July, 2016

To,

Principal Chief Commissioners / Chief Commissioners of Central Excise (All);
Principal Chief Commissioners / Chief Commissioners of Customs & Central Excise (All);
All Director Generals of Customs, Central Excise & Service Tax

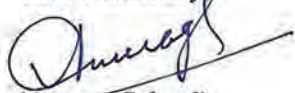
Sir / Madam,

Subject: Imposition of Central Excise duty on jewellery – Constitution of sub-committee of the High Level Committee –regarding.

Kindly refer to the Circular No. 1021/9/2016-CX dated 21.03.2016 and Circular No. 1026/14/2016 dated 23.04.2016, both issued vide F. No. 354/25/2016 - TRU.

2. In this regard, the time limit for taking central excise registration of an establishment by a jeweller is being extended up to 31.07.2016.
3. The liability for payment of central excise duty will be with effect from 1st March, 2016. However, assessee jewellers may make the payment of excise duty for the months of March, 2016; April, 2016 and May, 2016 along with the payment of excise duty for the month of June, 2016 upto the extended date of 31.07.2016.
4. Wide publicity may be given to this circular. Difficulty, if any, in implementing the circular should be brought to the notice of the Board. Hindi version would follow.

Yours faithfully


(Anurag Sehgal)
Under Secretary

■■■



Government hikes duty drawback rates on gold and silver jewellery

The government today raised duty refund rates on gold and silver jewellery to Rs 252.30 per gram and Rs 3285.40 per kg, respectively. Duty drawback is refund of duties on imported inputs for export items.



NBFCs, LIC agents may be roped in to give gold monetisation scheme a leg-up
Lacklustre interest from households

and the common man to deposit gold under the Gold Monetisation Scheme (GMS) has prompted the government to examine the possibility of involving non-banking finance companies and agents of the Life Insurance Corporation of India to push the scheme.

A chunk of the gold deposited under the scheme has so far come from temple/religious trusts, such as the Tirumala Tirupati Devasthanam, the Shirdi Sai Baba Sansthan and high net worth individuals, say bankers.



'Cheap' platinum is the new gold for young Indians

A cheaper platinum has made the metal more acceptable among Indian consumers in the current quarter.

Platinum price, which at present is lower by ` 4,500 per 10 gm when compared with gold, has risen 15% in the current quarter while gold has stayed flat.

"This change is on the back of an increasing awareness and knowledge about this precious metal, its value and is also supported by the current price," said Vaishali Banerjee, MD, Platinum Guild India. Last year, India had imported 7.2 tons of platinum against 5.6 tons in 2014 — a growth of 28.5%. "This year imports will definitely go up by 15-20%," said Banerjee.



Jewellery industry hit by mandatory PAN Card for purchases over Rs. 2 lakh

More than half the organised jewellery trade has

been impacted during the last few months, due to the government's decision to make PAN Card mandatory for transactions over ` 2 lakh, said G V Sreedhar, chairman of All India Gems & Jewellery Trade Federation (GJF). Various restrictions by the government have put the genuine trader in a spot, and have given a fillip to unethical practices in the industry, Federation officials said.

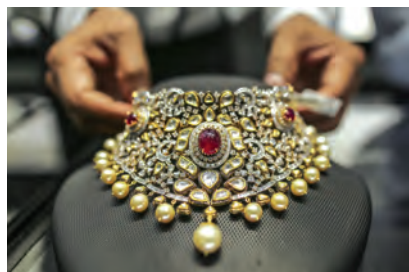
Speaking to reporters on the sidelines of the Preferred Manufacturer of India (PMI) programme organised in Chennai, Sreedhar said, "More than 50 per cent of the business has been affected in terms of value, by implementation of the PAN Card restriction. Customers are moving to the unorganised sector, where quality is a question." He said that higher customs duty, excise duty and others are restricting the business of genuine jewellers.



Sovereign gold bonds listed on exchanges at 11.5% premium to issue price

Sovereign gold bonds issued in last November as a plan to control import of gold and also

simultaneously give an option to investors to earn gold returns have been listed on June 13th on both mainline stock exchanges — the Bombay Stock Exchange and the National Stock Exchange. Bonds were listed at a 11.5% premium to issued price. The first tranche of the bonds were issued at Rs 2682, and the first trade took place for 4 grams at Rs 2986, which is a nearly 11.5% premium, including interest. Annual interest is 2.75%.



India exports more gems and jewellery, imports less gold

India is exporting more gems and jewellery to the world, even as

its imports of gold — a key input for jewellery — have declined over the past four months.

In May, gems and jewellery exports rose 24 percent to worth \$3.71 billion as against \$2.98 billion in May last year. The previous month saw exports rise 17.23 percent to \$3.45 billion when compared with \$2.94 billion in April 2015.

On the contrary, gold imports by India fell for the fourth straight month in May to \$1.47 billion as against \$2.42 billion in the corresponding month last year, a contraction of 39 percent. However, it was up from April when the world's second-largest consumer of the yellow metal imported gold worth \$1.24 billion.

Meanwhile, total exports from India declined for the 18th consecutive month in May, a reflection of persisting weakness in the global economy.

Exports stood at \$22.17 billion in May, a marginal fall of 0.79 percent from \$22.34 billion in May last year. Imports shrank 13.16 percent to \$28.44 billion, year-on-year, leaving a deficit of \$6.27 billion, a three-month high.

Export of engineering goods rose 2.2 percent to \$5.75 billion. Petroleum product shipment declined 15.5 percent to \$2 billion last month, indicating the continuing weakness in commodity prices globally.

www.ibtimes.co.in



Jewellers offer incentives to beat slowdown in sales

“Earlier, we used to offer discounts in making charges.

Almost all large

jewellers offer these. So, we changed the offer with a higher value of gold and diamond jewellery against old gold. This will increase the flow of internal gold without banking on its procurement from banks,” said a senior TBZ official.

TBZ has also introduced lighter weights of jewellery with innovative designs, to ensure against a major impact on customer pockets with the rise in government levies. There has been an industry-wide slowdown with the government’s decision to make jewellery hallmarking mandatory, beside levy of excise duty on gold jewellery. The sentiment was weak in the sector over the two years since the import levy on gold was raised to 10 per cent.

Bengaluru-based C Krishna Chetty & Sons has reoriented its in-house sales and administration. Rajesh Exports has introduced lighter jewellery of lower caratage.

“We have introduced a ‘value for money’ concept, through lighter weight and new design of jewellery. Because of this, we have not witnessed any slowing in jewellery sales,” said Rajesh Mehta, managing director, Rajesh Exports.



Kyrgyzstan ups pressure for gold mine revenue



Ex-Soviet Kyrgyzstan on Tuesday raised the pressure in a fight over revenues from a foreign-owned gold mine, the Central Asian

country's largest private sector employer and taxpayer. President Almazbek Atambayev on Tuesday ordered the state prosecutor to investigate two agreements which established the ownership structure of the Kumtor gold mine, which is controlled by Canadian firm Centerra Gold.

The Kyrgyz government owns a third of company and has been locked in a dispute with the Toronto-based firm over the revenues the impoverished nation receives from the mine. "People need to know why Kumtor, which was to become the pride of Kyrgyzstan and the largest investment project, is in fact perceived by the people as 'the biggest scam'," Atambayev said in comments published on the presidential website. Operations at the mine account for up to 10 percent of the GDP of a country that borders China, Kazakhstan, Tajikistan and Uzbekistan. Kyrgyzstan says it deserves greater revenues from the mine located in the east of the mountainous country.

A lawmaker's proposal to nationalise the mine was voted down by the parliament in 2012. The company is yet to receive a new license from the government required to operate the mine beyond a looming June 30 deadline. In May Centerra Gold gave Kyrgyzstan notice of the beginning of international arbitration proceedings after a local court slapped the company with environmental fines worth roughly \$100 million. Citing the general agreement of 2009, Centerra disputed the jurisdiction of the local court to rule over disputes between the pair.

Source: Agence France-Presse, 2016

Sibanye, OceanaGold join the World Gold Council



Sibanye Gold and OceanaGold Corporation have joined the World Gold Council, the market development organisation for the gold industry. Sibanye is

the largest individual producer of gold in South Africa and one of the 10 largest globally. OceanaGold is a rapidly growing multinational gold producer with assets located in the Philippines, New Zealand and the United States. World Gold Council Chief Executive, Aram Shishmanian, commented; "The membership of the World Gold Council is made up of the world's leading and most forward thinking gold mining companies, we are therefore, delighted that both Sibanye and OceanaGold have decided to join.

In particular, I welcome Neal and Mick to the World Gold Council Board, which is made up of the CEO's of each of our members. This is a vital leadership group which sets the agenda for sustaining and increasing the demand for gold worldwide".

"The sustainability of our business and ability to deliver value to stakeholders is dependent on continued and growing demand for gold" said Neal Froneman, Chief Executive Officer at Sibanye. "As such, we need to ensure that there is a strong market for our products and by joining the World Gold Council we hope to play a greater role in securing and developing the demand for gold."

"The World Gold Council is uniquely positioned to offer valuable insight and industry leadership in order to secure further growth in the gold market. We are very pleased to join our peers in helping to support this organisation's significant contributions to a dynamic and sustainable gold market," commented Mick Wilkes, President & Chief Executive Officer of OceanaGold.

Source: www.mining.com

मेक इन इन्डिया अभियान तथा गोल्ड रिफायनरियां

जेम्स जोस, चेम्मानुर गोल्ड रिफायनरी,



भारत सरकार द्वारा भारतीय गोल्ड रिफायनरियों को उनके कच्चे माल, गोल्ड डोरे, के आयात की अनुमति देने के निर्णय के परिणाम स्वरूप देश में विश्वस्तरीय गोल्ड रिफायनरियों की संख्या में बड़ा विस्तार हुआ है। वर्तमान में घरेलू टैरिफ क्षेत्र की गोल्ड रिफायनरियों की सकल रिफायनिंग क्षमता 750 टन प्रति वर्ष है और जो रिफायनरियां एक्साइज मुक्त क्षेत्र में हैं उनकी भी क्षमता लगभग इसी के बराबर है। ये सभी रिफायनरियां देश में खपत होने तथा आयात किये जाने वाले 1000 टन गोल्ड की मात्रा को ध्यान में रखकर स्थापित की गयी है।

हालांकि इन रिफायनरियों की क्षमता का नाममात्र ही उपयोग हो पा रहा है, जैसा कि पिछले वर्ष संकेत दिया गया था कि भारत में कुल 250 टन रिफाइन गोल्ड का

उत्पादन हुआ तथा बाकि 750 टन यूरोप, ऑस्ट्रेलिया इत्यादि की रिफायनरियों से आयात किया गया था।

गोल्ड रिफायनिंग की क्षमता से कम का उपयोग होने का मुख्य कारण यह है कि कच्चे माल, डोरे गोल्ड, की उपलब्धता सीमित है जिसमें ज्यादातर लंबे समय के सौदे से बंधे हैं। बड़े क्षमता वाली रिफायनरियों का विदेशी खदानों के साथ दीर्घकालिक अनुबंध है जबकि मध्यम क्षमता वाली रिफायनरियां जलोढ़ गोल्ड डोरे पर निर्भर हैं जो कि छोटे खदानों से निकाली जाती हैं जो पश्चिम तथा मध्य अफ्रीका के देशों जैसे कि पेरू, कोलंबिया इत्यादि में स्थित हैं। ये छोटे खदानें पहले गोल्ड डोरे की सप्लाई मिडिल ईस्ट स्थित रिफायनरियों को करती थी लेकिन जब भारतीय रिफायनरियों ने बेहतर मूल्य

ऑफर किया तो यह भारतीय रिफायनरियों की तरफ परिवर्तित हो गया। एक्साइज मुक्त क्षेत्र में स्थित रिफायनरियों को 1% की छूट मिलती है जिसे वे सीमित मात्रा में उपलब्ध जलोढ़ गोल्ड डोरे को प्रीमियम प्रदान करने के लिये करते हैं। घाना ऐसे भारतीय रिफायनरियों के लिये एक अहम सप्लायर था लेकिन यहां पर गोल्ड डोरे के निर्यात पर 10% निर्यात शुल्क लगाये जाने, जिसे कि बाद में 3% कर दिया गया है, से भारत में घाना से होने वाले आयात पर जनवरी 2016 से काफी कमी आयी है।

फरवरी 2016 के बाद केन्द्रीय बजट में ज्वैलरी पर 1% एक्साइज ड्युटी लगाये जाने के चलते पूरे भारत के ज्वैलर हड़ताल पर चले गये थे जिससे कि मार्च तथा अप्रैल माह के दौरान गोल्ड की मांग

वास्तविकता में शून्य हो गयी थी। इस कमजोर आयात मात्रा तथा यहां तक कि मई व जून में भी डोरे का आयात जारी रहने के चलते भारत में पिछले वर्ष के मुकाबले इस वर्ष आयात में 60% की कमी आयी है।

हाल ही में बुलियन पर एक्साइज ड्युटी में किये गये परिवर्तन से गोल्ड रिफायनरियों का अधिकतम मार्जिन खत्म हो गया है तथा वे आयातित बुलियन से महज 0.65% के अंतर स्तर पर आ गये हैं। इस कम मार्जिन में डोरे आयात के लिये फंडिंग लागत तथा परिवहन खर्चों, ज्यादातर अफ्रीका तथा लैटिन अमेरिका की खदानों परिवहन से जुड़ी नहीं है, का प्रबंधन करना मुश्किल है।

घरेलु खपत के लिये शुल्क अदाकर किया गया बुलियन आयात (मात्रा टनों में)

	2014-15		2015-16		2016-17	टिप्पणी
अप्रैल	40	अप्रैल	54	अप्रैल	16.5	आयात में भारी गिरावट
मई	45	मई	29	मई	10	आयात में भारी गिरावट
जून	90	जून	18			
जुलाई	38	जुलाई	59			
अग.	63	अग.	89			
सितं.	92	सितं.	18			
अक्टू.	115	अक्टू.	15			
नव.	177	नव.	63			
दिसं.	24	दिसं.	80			
जन.	23	जन.	44			
फर.	35	फर.	9			आयात में भारी गिरावट
मार्च	111	मार्च	9			आयात में भारी गिरावट

मार्च व अप्रैल महीने के दौरान ज्वैलरों द्वारा किये गये हड़ताल के कारण भारत में गोल्ड की कीमत एलएमई से कम स्तर तक चली गयी थी जिसके चलते गोल्ड रिफायनरों तथा आयातकों के लिये एलएमई स्तर पर गोल्ड आयात करना मुश्किल हो गया था। इस एक्साइज के माहौल में गोल्ड कारोबार ध्वस्त होता जा रहा है तथा अधिकृत आयात भी इसी नीचले स्तर पर रहने का अनुमान है। बाजार में लेनदेन अब नगद के रूप में होने लगा है जिसने काले बाजार या तस्करी के माल के लिये जगह बनायी है और इन सब के कारण भाव एलएमई दर से 4-5% डिस्काउंट पर चल रहा है। इस स्थिति में रिफायनर, बुलियन ट्रेडर या नामित एजेंसी के लिये अधिकृत मार्ग से गोल्ड आयात

का व्यवसाय अलाभकारी हो गया है। इसी के परिणामस्वरूप अब भारत को होने वाला गोल्ड डोरे का निर्यात मिडिल ईस्ट को होने लगा है।

यह रुख आने वाले बेसीजन माह अगस्त तक जारी रहने का अनुमान है। ब्रिजिट की घटना से गोल्ड के भाव तथा मांग में बढ़ोत्तरी आयी है लेकिन भारत में इसका प्रभाव उतना नहीं पड़ा है।

सरकार जब तक अधिकृत प्रक्रिया से आयात पर लागू आयात शुल्क को 10% से घटाकर 6% नहीं करेगी, ताकि तस्करी को हतोत्साहित किया जा सके, तब तक अधिकृत मार्ग से आयात कम ही बनी रहेगी जो कि सरकार के राजस्व के घटने

का भी कारण बनेगी। रिफायनर, ट्रेडर तथा नामित संस्थायें सरकार से यह अनुरोध करती हैं कि वह गोल्ड आयात पर लागू आयात शुल्क में वास्तविक स्तर तक कमी लाये ताकि वर्षों में बने इस विशाल रिफायनिंग इन्फ्रास्ट्रक्चर अनुपयोगी ना बने रहे और सरकारी की मेक इन इंडिया अभियान का परिहास ना हो।

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Bullion - Data & Statistics

Gold Spot Market, International (Per Troy Ounce)			
Spot gold	01 st June	30 th June	% Change
Australia (AUD)	1673.49	1775.13	5.90
Britain (GBP)	841.19	991.60	16.45
Canada (CAD)	1586.24	1713.09	7.69
Europe (Euro)	1084.25	1190.22	9.32
Japan (Yen)	132791.30	136235.60	2.56
Switzerland (CHF)	1199.15	1290.78	7.36
USA (USD)	1213.56	1321.70	8.54

Silver Spot Market, International (Per Troy Ounce)			
Spot Silver	01 st June	30 th June	% Change
Australia (AUD)	22.00	25.19	13.57
Britain (GBP)	11.05	14.06	24.15
Canada (CAD)	20.85	24.31	15.37
Europe (Euro)	14.244	16.885	17.01
Japan (Yen)	1746.86	1934.92	10.22
Switzerland (CHF)	15.76	18.31	15.05
USA (USD)	15.958	18.76	16.18

Monthly Exchange Data (Gold) (From June 01-30)						
Exchange	Commodity	Open	High	Low	Close	% Ch.
COMEX ²	Gold Aug'16	1217.90	1362.60	1208.20	1320.60	8.13
MCX ¹	Gold Aug'16	28866.00	31925.00	28820.00	31199.00	7.53
NCDEX HEDGE ¹	Gold Sep'16	26920.00	29456.00	26808.00	29161.00	8.00
TOCOM ³	Gold Aug'16	4335.00	4413.00	4196.00	4337.00	0.81

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

Monthly Exchange Data (Silver) (From June 01-30)						
Exchange	Commodity	Open	High	Low	Close	% Ch.
COMEX ²	Silver Aug'16	15.95	18.86	15.95	18.60	0.15
MCX ¹	Silver Sep'16	39100.00	44540.00	38996.00	44349.00	0.13
NCDEX NEW ¹	Silver Aug'16	35346.00	41040.00	35346.00	41040.00	0.15
TOCOM ³	Silver Aug'16	57.30	59.90	57.10	59.80	0.04

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

Gold Spot Market, India			Rs/10gm
Spot Gold	01 st June	30 th June	% chg
Ahmedabad	28742.00	30539.00	6.06
Bangalore	28770.00	31280.00	8.36
Chennai	29140.00	31180.00	6.77
Delhi	28900.00	30350.00	4.90
Mumbai	30450.00	32460.00	6.39
Hyderabad	28990.00	31090.00	6.99
Kolkata	29910.00	32430.00	8.09

Currency Change (Monthly)		
	01 st June	30 th June
EUR/USD	1.1188	1.1103
USD/AUD	1.378	1.3429
USD/GBP	1.4416	1.3331
USD/INR	67.45	67.52
USD/JPY	109.53	103.09

Silver Spot Market, India			Rs/kg
Spot Silver	01 st June	30 th June	% chg
Mumbai	38720.00	44440.00	13.78

Bullion - Data & Statistics

LBMA Gold & Silver Price (Per Troy Ounce)										
GOLD AM			GOLD PM				SILVER			
DATE	USDAM	GBPAM	EURAM	USDPM	GBPPM	EURPM	DATE	USDPM	GBPPM	EURAM
06-01-2016	1216.25	841.77	1090.00	1214.50	842.62	1088.31	06-01-2016	15.95	11.04	14.30
06-02-2016	1215.50	842.10	1085.32	1212.40	839.47	1085.83	06-02-2016	15.98	11.07	14.27
06-03-2016	1211.00	839.34	1086.63	1240.50	851.60	1094.00	06-03-2016	16.10	11.17	14.45
06-06-2016	1240.55	859.08	1092.68	1244.00	861.84	1095.59	06-06-2016	16.40	11.39	14.47
06-07-2016	1241.10	851.02	1091.42	1241.00	851.57	1092.58	06-07-2016	16.31	11.18	14.36
06-08-2016	1252.40	861.65	1101.61	1263.00	866.92	1107.65	06-08-2016	16.75	11.50	14.73
06-09-2016	1258.35	870.53	1107.98	1263.90	873.61	1116.66	06-09-2016	17.05	11.79	15.03
06-10-2016	1266.60	876.87	1121.07	1275.50	889.41	1129.58	06-10-2016	17.32	12.01	15.33
06-13-2016	1284.10	909.27	1139.25	1280.80	895.92	1136.20	06-13-2016	17.32	12.23	15.37
06-14-2016	1279.40	904.79	1140.84	1287.15	911.05	1149.30	06-14-2016	17.25	12.17	15.37
06-15-2016	1282.00	903.04	1141.49	1283.30	905.37	1142.91	06-15-2016	17.41	12.26	15.51
06-16-2016	1307.00	922.09	1161.14	1310.75	931.29	1175.87	06-16-2016	17.71	12.54	15.79
06-17-2016	1284.50	899.41	1142.05	1290.70	904.01	1145.11	06-17-2016	17.37	12.19	15.43
06-20-2016	1283.25	877.49	1132.08	1281.80	874.44	1129.65	06-20-2016	17.34	11.85	15.30
06-21-2016	1280.80	866.72	1129.67	1272.60	867.53	1131.09	06-21-2016	17.36	11.78	15.34
06-22-2016	1265.00	862.98	1122.31	1264.85	857.06	1116.86	06-22-2016	17.20	11.72	15.23
06-23-2016	1265.75	850.96	1112.22	1262.15	851.57	1108.55	06-23-2016	17.29	11.61	15.16
06-24-2016	1313.85	945.58	1181.28	1315.50	955.84	1189.08	06-24-2016	18.04	13.19	16.32
06-27-2016	1324.60	996.36	1200.49	1324.55	1001.89	1202.43	06-27-2016	17.70	13.40	16.06
06-28-2016	1312.00	985.84	1185.79	1309.70	977.82	1183.97	06-28-2016	17.57	13.17	15.84
06-29-2016	1317.75	984.36	1191.64	1321.50	976.85	1187.50	06-29-2016	18.21	13.55	16.42
06-30-2016	1317.00	976.82	1183.59	1320.75	983.17	1187.75	06-30-2016	18.36	13.61	16.48

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