

Bullion BulletinTM

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Dear Readers,

At the outset, my best wishes to SBMA and Foretell for the Second Edition of Asia Pacific Precious Metals Conference. The APAC focussed conference is unique in many ways. Asia is the largest producer and consumer of gold. While India and China are giants in the Asian gold market, ASEAN market plays a significant role too and has the potential to grow bigger considering the demography, culture and the economic growth potential. Indonesia is one of the world's largest gold producers; countries like Thailand and Malaysia have developed strong jewellery manufacturing capabilities to cater to domestic as well as export markets. On the other hand, Singapore – the only AAA+ country in the region – has established itself as Southeast Asia's financial nerve centre, providing financial, institutional and infrastructural support. All these together creates the scope for bigger market integration transforming ASEAN into a vibrant centre for precious metals with India and China on either side. I believe participants will use the opportunity and set a roadmap for 2018 and beyond.



ASEAN region is already more than \$2.5 trillion economy and according to estimate by the Asian Development Bank, the region is expected to grow at 5.1 percent in 2018 after achieving 5 percent growth in 2017. This is good news for the region as the growth contracted between 2014 and 2016. Returning to growth path at 5% will create resource in economy. Considering the natural love for gold, we believe investment and other demand for gold will increase concurrently. World Gold Council observes that continued economic growth underpins gold demand. While income growth spurs demand for gold jewellery and gold-containing technology such as smartphones and tablets, it also spurs savings, increasing demand for gold bars and coins.

In the global market, according to WGC estimate, global demand remained at 973 tons in Q1 of 2018, the lowest first quarter since 2008. The Council observed that fall in investment demand for gold bars and gold backed exchange traded funds (ETFs) contributed to the fall on subdued gold price environment. We believe Q2 will do better as gold price has come down below \$1300/oz in London market. We believe Indian demand will increase as India Meteorological Department expects normal southwest monsoon in 2018. China Gold Association, on the other hand, believes that demand growth in second and third-tier cities in China will create better demand for physical gold as store of value.

Trade volume and carry-over positions (open interest) in MCX gold options increased steeply post-introduction of Liquidity Enhancement Scheme (LES). MCX and the regulator must be complimented for the initiative. I am hopeful, hedgers would soon start using options to cover their exposure. MCX has also launched silver option on 24th of May. With all the major derivatives listed on the exchange, time is ripe for gold spot exchange to complete the market eco-system. I am sure the government would announce some directives in this regard soon.

Best wishes for a great year ahead!
 Debajit Saha
 Editor

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Singapore Precious Metals Market

Singapore is widely recognized for its political and economic stability. With its world-class legal, financial, and commodity infrastructure, it is wellplaced to accommodate the rising demand for gold investment products.

Martin Huxley, Chairman of Singapore Bullion Market Association



Since Singapore government lifted the GST on investment precious metals (IPM) in 2012, import of gold and purchase and sales transactions have grown exponentially. Gold has become many portfolio managers' choice in seeking a balanced investment using gold to avert excessive risks. As a matter of fact, Singapore has the largest pool of assets under management in Asia with SGD2.7 trillion in 2016, a surge of 7% year-on-year, according to the Monetary Authority of Singapore.

Gold as storage of wealth
In Southeast Asia, gold is one of the few asset classes that people have a high preference for as a store of wealth. In some countries gold is regarded as more stable than the national currency in terms of intrinsic value. A demonstration of cultural and legacy traditions, people in Asia buy gold jewellery for weddings and to celebrate festive seasons.

In Singapore, people have a craving

for minted bars and coins in addition to gold jewellery. When in need for cash, Singaporeans will sell their gold jewellery and investment bars to jewellers or borrow from pawn shops using gold as collateral.

Economic overview

Singapore is a hub for logistics, finance and high-end technology in Southeast Asia. Large imports and exports are the attributes to her economy (Table 1). Singapore also has very close connections

with the Chinese economy through its extensive overseas network, which will become prominent with the takeoff of the 'Belt and Road' Initiative spearheaded by China.

Table 1

Population	5.6 million
GDP Growth	3.6%
GDP/P	\$53,626
CPI	-0.2%
Policy Interest Rate	0.8%
Exports	\$325 billion
Imports	\$284 billion
Foreign Reserves	\$280 billion
Foreign Debt	\$426 billion

Source: Focus Economics

Abolition of Goods & Service Tax ("GST") on IPM

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Singapore is widely recognized for its political and economic stability. With its world-class legal, financial, and commodity infrastructure, it is well placed to accommodate the rising demand for gold investment products. Singapore's innate



attributes of neutrality, transparent legal and judicial system, excellent connectivity, and reputation as an important financial centre have long appealed to global investors.

All these favorable factors have led to a growth in the number of companies setting up bullion merchandising, trading, storage and refining operations in Singapore. Using Singapore as base in Southeast Asia, they are able to leverage all the advantages to expand into other Asia Pacific markets.

Development of Singapore precious metals market

Singapore's role as a redistribution center for the region reached record levels in 1992, when gold imports reached 414 tonnes, almost half of Asia's total consumption. The introduction of a 3% GST in 1994 softened the demand for gold products. GST was increased to 4% and 5% respectively in 2003 and 2004 and further to 7% in 2007.

The establishment of the Singapore Freeport in 2010 provided Asia with its own Fort Knox, outfitted with cutting-edge security. Located next to Singapore's Changi International Airport, it offers 22,000 m² of secured rooms and showrooms with direct access to the airport runway and secured by armed guards around the clock. A host of professional logistics forwarders including Brink's, Certis CISCO, G4Si, Loomis and Malca-Amit, operate their vaults in the Singapore Freeport, providing experience and expertise in precious metals handling.

Recognizing that investment precious metals (IPM) are essentially financial assets like other actively traded financial asset classes, and to facilitate the development of IPM refining and trading in Singapore, the government announced in early 2012 that IPM would be GST exempt from 1 October 2012. As a result, the volume of non-monetary gold import jumped 78% and exports increased

The establishment of the Singapore Freeport in 2010 provided Asia with its own Fort Knox, outfitted with cutting-edge security. Located next to Singapore's Changi International Airport, it offers 22,000 m2 of secured rooms and showrooms with direct access to the airport runway and secured by armed guards around the clock. A host of professional logistics forwarders including Brink's, Certis CISCO, G4Si, Loomis and Malca-Amit, operate their vaults in the Singapore Freeport, providing experience and expertise in precious metals handling.

37% in 2013 (Enterprise Singapore Statistics).

In 2014, two years after the abolition of IPM import tax, Metalor set up a precious metal refinery in Singapore, and subsequently gain LBMA accreditation. The gradual increase in volume of physical churned over the years has seen Metalor running up to its full capacity during peak seasons of demand.

At the 2014 London Bullion Market Association (LBMA) Bullion Market Forum in Singapore, Singapore Trade and Industry Minister Lim Hng Kiang announced the launch of Singapore Kilobar Gold Contract. A joint initiative of Enterprise Singapore, World Gold Council, Singapore Exchange and Singapore Bullion Market Association (SBMA), the contract introduced centralized trading and clearing of a physically delivered gold contract in Singapore. It comprises a series of six daily contracts, which gives buyers physical access to competitively priced kilobars on one stop. This was

enhanced by the launch of the ICE One- Kilo Gold Futures launched on 17 Nov 2015.

Singapore Bullion Market Association

Singapore Bullion Market Association (SBMA) is a non-profit organisation established in 1993 for the purposes of representing key stakeholders from the precious metals industry, including bullion banks, exchanges, refineries, bullion merchants and secured logistics support companies. Supported by Enterprise Singapore and its members, SBMA plays a pivotal role in the development of Singapore as an Asian precious metals hub and also as one of the most global centres of connectivity for precious metals.

SBMA participates in many activities such as engagement with industry, governmental and non-governmental agencies, publishing industry-based articles, and marketing and advertising, but its focus remains in creating and ensuring collaboration between its members and extending

the network to other regions in Asia from the Greater China to ASEAN and South Asia.

Asia Pacific Precious Metal Conference is an annual event organised by SBMA in Singapore with the prime purpose of connecting the industrialists and business entities in precious metals in Asia. Collectively, all these markets add up to a sizeable volume with a lot of diversities and opportunities. The conference provides a platform for distribution of updated information about the development of both mature and emerging precious metal markets in the Greater China, ASEAN and India, as well as the financial technology that help to facilitate the supply chain from pricing, refining to delivery.

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

Developing Infrastructures in the Gold Value Chain

Nirupama Soundararajan, Senior Fellow, Pahle India Foundation

Arindam Goswami, Fellow, Pahle India Foundation



Banks are apprehensive (or even averse in many cases) to doing business in gold for broadly two reasons. First, they are wary of the lack of transparency in the business, particularly since most of the gold business is conducted over the counter. Second, many have confessed that they lack the necessary expertise and proficiency to carry out gold business. Hence, our first recommendation is that RBI allows for a special category of banks known as “bullion banks” to be set up in India under the differentiated banking licence.

The first step to a comprehensive gold policy is to define gold. The next step is to concentrate on upscaling existing infrastructure and creating new infrastructure to support the gold ecosystem. The gold value chain in India can be divided into three broad heads - procurement (which involves lease and financing), domestic trading, and storage and distribution. Currently, the leasing and financing avenues for gold business are limited, trading is primarily carried outside the formal financial system, and storage and distributary networks are mostly

rickety. Hence to create a robust gold ecosystem in the country, it is important that the troika of procurement, trade and storage be developed and are at their functional best.

Since India has traditionally been an import dependent economy when it comes to gold, one of the major challenges has been procurement. Currently, gold is imported by nominated banks and nominated agencies, although majority of the import business is concentrated amongst banks. Besides import, banks also finance the gold business



Having planned for suitable infrastructure for procurement and trading of gold, one naturally turns to storage of gold. At present, bullion vaulting in India is not quite regulated. Recently, SEBI has directed the commodity derivatives exchanges trading in bullion to register vaults used by them and adhere to basic vaulting guidelines. Although this is a smart move by SEBI to ensure standards in vaulting, in the absence of any real regulatory authority and rigid compliance mechanism, these frameworks are only 'second best' alternatives when compared to international vaulting standards.

through GML, trade financing, and working capital requirements. Despite the key role that banks play in the trade of gold, they do not consider gold as their mainstay business. Infact banks consider gold to be a burden on their core banking activities. Banks are apprehensive (or even averse in many cases) to doing business in gold for broadly two reasons. First, they are wary of the lack of transparency in the business, particularly since most of the gold business is conducted over the counter. Second, many have confessed that they lack the necessary expertise and proficiency to carry out gold business. Hence, our first recommendation is that RBI allows for a special category of banks known as "bullion banks" to be set up in India under the differentiated banking licence. We also recommend that these bullion bank licences are not restricted to existing commercial

banks alone, but are also extended to other financial sector participants who understand the gold business. Bullion banks are a tried and tested method of banking, commonly followed internationally. India can follow suit and set up this part of the financial infrastructure that can undertake activities such as buying, selling, leasing, financing, re-financing, bullion investment, and several monetisation schemes.

While bullion banks will help bring transparency in gold procurement, it will not necessarily help in reducing the OTC trade. This means that most of the trade is kept out of the formal financial system with significant variations in the price and quality of gold across channels and points of sales. Global experiences show that setting up a bullion spot

exchange can align the business of gold with that of financial market. A spot exchange can further help in reducing disparity in price and quality. Two prominent examples are that of China and Turkey which successfully managed to streamline their gold business by setting up spot exchanges. The announcement for setting up of a Gold Spot Exchange has already been made in the Union Budget of 2018-19. What remains is for a comprehensive regulatory framework for a spot exchange to be set up.

A recent committee under the Chairmanship of Prof. Ramesh Chand, on the integration of spot and future markets has recommended that the gold spot exchange be regulated by SEBI. While SEBI may seem like an appropriate



Elemental Analysis Solutions for Precious Metals

Accuracy of elemental analysis is often critical — especially in assessing precious metals. Assayers and refiners need instruments with the sensitivity to detect and precisely analyze even minor or trace amounts, to assess true composition and value. Other users may prioritize speed. High-volume hallmarking centers demand both fast and accurate analysis. In addition, all users prefer analyzers that are robust, convenient, and easy to operate, with helpful software and easy transfer of results into a lab network.

Good to know that SPECTRO's affordable analyzers are fully optimized for precious metals applications and fit to the most challenging business conditions.

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choice, we believe that SEBI does not have the necessary wherewithal to deal with spot transactions. We recommend that the gold spot exchange be set up under a separate statutory act and under a separate regulator (a Gold Board) with appropriate directives and guidelines for undertaking spot trading. Any spot exchange and its regulatory framework must be befitting of the size of the gold market and the number of prospective participants on the exchange. Such an exchange will integrate the market, enhance transparency in pricing, improve standardisation in quality, and most importantly create a separate mechanism for trading bullion differently from agricultural products.

Having planned for suitable infrastructure for procurement

and trading of gold, one naturally turns to storage of gold. At present, bullion vaulting in India is not quite regulated. Recently, SEBI has directed the commodity derivatives exchanges trading in bullion to register vaults used by them and adhere to basic vaulting guidelines. Although this is a smart move by SEBI to ensure standards in vaulting, in the absence of any real regulatory authority and rigid compliance mechanism, these frameworks are only 'second best' alternatives when compared to international vaulting standards. Moreover, this surrogate regulatory system extends only up to vaults under exchanges but fails to govern those used by banks, bullion depositing NBFCs, asset management companies and other financial institutions dealing in bullion.

Currently, warehousing in India is regulated by the Warehouse Development and Regulatory Authority of India (WDRAI), but is limited to the accreditation and oversight of only notified agricultural and horticultural commodities, and only those that wish to issue warehouse trading receipts. Warehousing, or vaulting of gold cannot be dealt with similarly. Vaults are an integral part of the financial chain. Hence, we recommend that WDRAI extends its regulatory outreach to vaults storing gold and other precious metals. This single move is expected to benefit the entire gold ecosystem as it will ensure supply of standardised gold in the country. We also recommend that unlike for agricultural and horticultural commodities, accreditation of all gold vaults must be made compulsory. Gold vaults will also lay the foundation for digital gold.

to be continued...

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

Loco London Exchange-Traded Precious Metals

Alex Shaw explains why the London bullion market is looking to exchange trading and clearing of precious metals and the significance of these developments for the Asian market.



Alex Shaw

The changing face of global markets

Since the financial crisis, the direction of global financial regulation has been to encourage a migration of bilaterally traded products towards centrally cleared and exchange traded venues, in order to reduce systemic risk in financial markets and in support of promoting fair and transparent markets.

In 2017, the LME commissioned Deloitte LLP to summarise the regulation relating to cleared and

non-cleared trading ¹. The LME's observations on the relative impacts of the current and emerging regulatory landscape on cleared and non-cleared trading include:

- Higher capital charges for non-cleared over-the-counter (OTC) derivatives
- Increased cost of trading for non-cleared OTC trades
- Leverage ratio implications
- Netting benefits from central clearing
- Operational benefits
- Reduced OTC market liquidity
- Increased transparency in the OTC market.

LMEprecious

In July 2017, in response to these changing market conditions and market demand for an exchange traded loco London precious metals venue, the LME worked with a group of leading industry participants to launch "LMEprecious". LMEprecious

provides exchange trading and clearing for loco London spot, daily and monthly futures of 100oz. gold and 5,000 oz. silver contracts, with the goal of providing a London based centre of liquidity, reinvigorating the market, removing barriers to trading based on counterparty credit lines and providing a transparent forward curve.

For many banks in particular, exchange trading and clearing provides significant capital savings, operational efficiencies and streamlined trade reporting, making it more cost effective to service clients.

Trading LMEprecious contracts

The LMEprecious gold and silver contracts provide considerable flexibility of trading format and a one-stop solution for trading spot, outright futures, calendar spreads and, later this year, also options.

¹Full article available on the LME website: <https://www.lme.com/-/media/Files/Metals/Precious-Metals/LMEprecious/LMEprecious-The-benefits-of-trading-precious-metals-on-exchange-and-clearing-via-CCP.pdf>

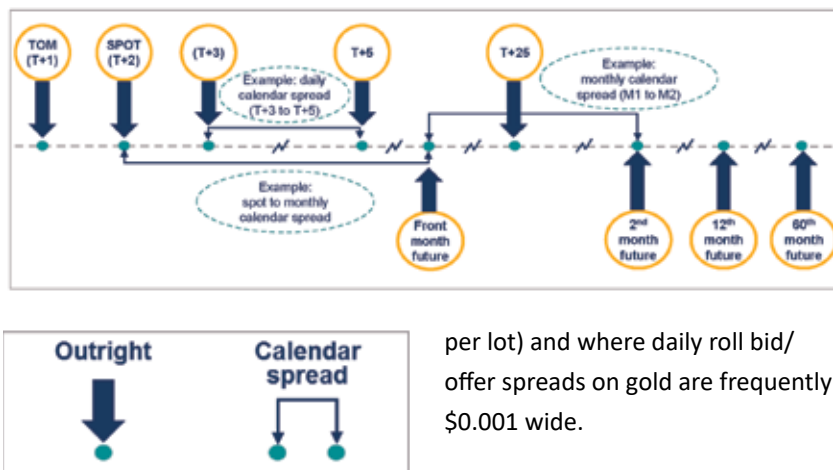


Figure 1: Trading LMEprecious contracts as outright and calendar spreads

Figure 1 above illustrates that there is a daily dateline of tradeable contracts out to 25 days forward and also a monthly set of dates that settle on the third Wednesday of each valid calendar month. Each of these dates can be traded on an outright basis or as liquid on screen calendar spreads from spot to each forward date. The focus of liquidity is on the spot contract and in the calendar spreads, with implied pricing connecting the top of book outright and the calendar spreads into outright monthly tradeable prices. In addition, it is possible to trade calendar spreads between any valid prompt dates.

Indeed, a key feature of the LMEprecious contracts is the ability to roll a spot position on screen on a daily basis (which incurs exchange and clearing fees of only \$0.02

per lot) and where daily roll bid/offer spreads on gold are frequently \$0.001 wide.

Liquidity on the central limit order book

LMEprecious launched on 10 July 2017 and by the end of the year, the LME Gold contract had seen 1,989 tonnes of gold traded, making the LME the fourth-largest global gold futures exchange for that period. LME Silver also saw strong volumes with 14,870 tonnes traded in 2017.

The growth of open interest (OI) has been an equally impressive story, with LME Gold and LME Silver at c. 30,000 lots and c. 5,000 lots (93t and 777t) respectively in the first

four months of 2018. The ability to trade liquid on-screen monthly contracts across the curve has seen considerable longer-dated OI develop, with approximately 80% of OI beyond the first monthly date and significant OI out as far as 3.5 years forward.

LMEprecious provides an additional deep source of liquidity to hedge outright loco London risk. On-screen spot liquidity is significant with at least 100 lots of spot both sides and top of book consistently 2 ticks wide (20c for gold and \$0.10 for silver respectively).

Transparent price discovery

The LME provide free real-time access reference prices at key times during the London trading day (as shown below in Figure 2), based on on-screen streamed tradeable quotes and trades². These prices have shown very high correlation to the prevailing loco London OTC market.



Figure 2: Daily reference prices and closing prices

²Further details and daily prices can be found on the LME website: <https://www.lme.com/Metals/Precious-metals/LMEprecious-reference-prices>.



David Mears

Later this year the LME will be implementing trade-at-settlement (TAS) functionality that will allow buyers and sellers to match and trade at (or at a number of ticks above or below) a yet to be defined LME settlement or reference price.

From June 2018 there will be on-screen liquidity from 01:00 London time, creating the opportunity to provide reference prices during the Asian trading day, should the market require.

Forward curve

The LME has historically administered the official GOFO rates based on submitted data until they were decommissioned in 2014.

The availability of a daily forward curve helps users across the value chain inform investment decisions, value positions and more broadly understand price trends further down the curve.

LMEprecious provides free real time on-screen pricing out to five years and also a closing price curve each day based on trading activity on LMEselect. The launch of LMEprecious on LMElive this summer will make this data even more convenient to access.

It is also possible to derive gold forward rates from LMEprecious data³, as shown in Figure 3 below from 1 month out to 1 year. The same data is available out to 5 years forward going back to the first day LMEprecious launched on 10 July 2017.

a number of factors, such as end of year position keeping, low liquidity and the expectation of US rate hikes in 2018.

The direction and sentiment behind recent regulatory changes clearly points to a new era of transparency. The LMEprecious forward curve provides an ideal solution for the market, as it is based on on-screen trade and order data on a regulated Recognised Investment Exchange (RIE) and made freely available to the market.

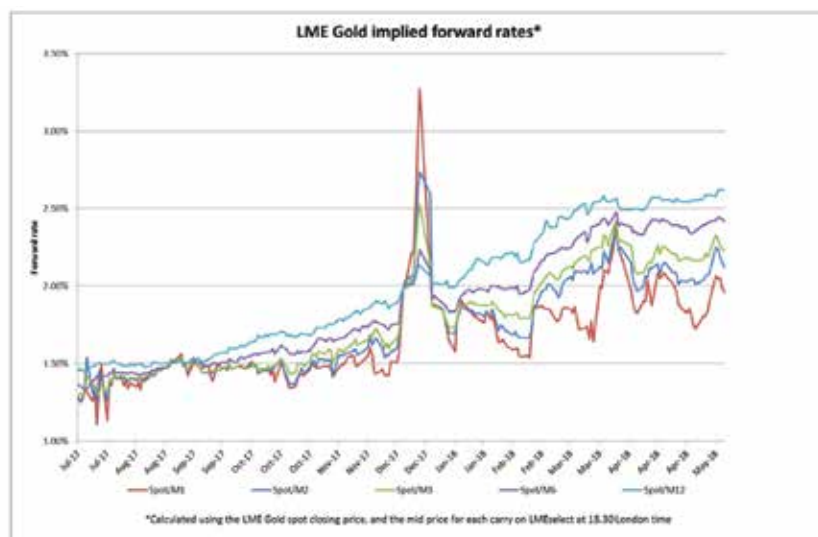


Figure 3: LME Gold implied forward rates

The chart clearly illustrates the spike in gold rates seen at the end of 2017, considered to be down to

Relevance to the Asian market

For the Asian market, LMEprecious provides the ability to access real-time loco London spot order book data and a streaming forward curve out to five years via major

³Please email the LME at LMEprecious@lme.com for a formatted spreadsheet providing conversion to forward rates

market data vendors, and also freely available on desktop and mobile devices via LMElive⁴ from Summer 2018.

This is hugely valuable to market participants whether they are traders, producers or consumers looking to hedge, roll positions and manage risks.

In response to client demand from Asia, in June 2018, LME will launch a liquidity provider programme to expand on-screen pricing provision to the period from 01:00 to 08:00 London time. Increasing liquidity during this crucial period crystallises many of the benefits described above for the Asian market; indeed most other exchanges see a significant share of trading during this time window.

The increasing internationalisation of the gold market also provides trading opportunities for market participants looking to manage basis risk or take a view on regional supply and demand dynamics. To this end LMEprecious provides a transparent, liquid, on-screen solution to trade in combination with other exchanges across the globe. Some brokers are

already offering margin offset against gold positions traded on other major exchanges.

One stop solution for trading gold and silver

This year the LME is also developing options on the existing gold and silver monthly futures contracts out to two years forward. This provides greater flexibility to manage risk and positions across both futures and options on the same platform, providing potentially significant portfolio efficiencies for margining across spot, futures and options positions, with a 60% initial margin offset between gold and silver positions.

Furthermore, the ability to access transparent and freely available reference prices that can be traded on a TAS basis creates a platform that can service all market needs, with increased liquidity during Asian trading hours and an increasingly active broker market that will be enhanced with a service for registered intermediating brokers (RIBs) to broker trades for clients and members on an anonymous basis later this year.

Authors

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David Mears is an Assistant Vice-President in the Precious Metals Market Development team at the London Metal Exchange. He previously worked as an Associate Director in Commodities Sales at Standard Chartered Bank covering global precious metals clients. He has a BA in Chinese and Economics from London School of Oriental and African Studies (SOAS).

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⁴ LMElive is the LME's own market data platform. More information is available on the LME website: <https://www.lme.com/Market-Data/LMElive>

How Valcambi Sees the Asian Gold Market and Operates a Responsible Supply Chain

Michael Mesaric, CEO, Valcambi



Introduction

Valcambi is a world leader in the refining of precious metals with 57 years' experience. Based in Switzerland, Valcambi operates one of the world's largest and most efficient integrated precious metals plant, with an annual refining capacity up to 2,000 metric tonnes for all metals.

Valcambi refines gold, silver, platinum and palladium and offer a broad range of products and services.

The refiner's clients include mining companies, jewellers, digital and tech manufacturers, premium luxury watch manufacturers, international, governments and central banks.

Michael Mesaric, CEO of Valcambi, shares his view of the Asian gold market and Valcambi's approach to operating responsible supply chains.

Being owned by Global Gold Refineries Ltd, belonging to REL Singapore PTE Ltd and Rajesh Exports Limited in Bangalore, the Asian market is of prime importance for Valcambi, with India and China dominating the world region demand of Valcambi gold.

It is fair to say that India has come through a challenging period over the last few years, with the sector grappling with regulatory changes,

funding issues, demonetisation and the introduction of Goods and Service Tax (GST). Despite this, we see strong fundamentals for the country longer term driven by the government's focus on boosting farm incomes, improving rural infrastructure and agricultural production that should benefit gold demand. We also see the set-up of a spot exchange currently being discussed as a necessary step for a more efficient and transparent Indian gold market.

Transparency and responsible sourcing are of the highest importance for Valcambi, because we know that it is critical to the sustainable success of our business and of our sector, and the sustainable development of the countries the raw materials originate from.

We meet and go beyond the most stringent industry standards of traceability in compliance with all the principle responsible sourcing

frameworks. These include international regulations and voluntary standards and guidance such as the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas, the LBMA Responsible Guidances on precious metals, the Responsible Jewellery Council Code of Practice and Chain of Custody Standards, World Gold Council “Conflict-Free Gold Standard” and the Dodd-Frank Act Section 1502.

To ensure those standards are respected and upheld we conduct extensive due diligence practices to identify and select our business partners.

We source our mined products from large-scale mines and small mines, and in the last few years, we have started engaging and sourcing from artisanal and small-scale mines (ASM).

Artisanal and small-scale gold mining employs 90% of the workforce involved in global gold extraction, and is responsible for 17 to 20 per cent of global gold production. The ASM sector overall plays a crucial role in offering a way out of poverty for over 100 million people, including miners and their families, around the world.

Given the importance of the sector in gold mining, we have been taking a leadership role on ASM responsible mining and sourcing to pull the sector forward on responsible

business practices so they can access global markets. We are committed to support miners that show a commitment to formalise their activities to operate within appropriate legal and along good practices frameworks.

We recognise though that sourcing responsibly from ASM is complex. We all well know that ASMs, in particular in conflict-affected and high-risk areas, may be at risk of contributing to or being associated with significant adverse impacts, including human rights abuses and conflict.

To mitigate our risks, we work wherever possible directly with the mines, cutting the number of intermediaries, and we have developed a specific sourcing model for ASM that involves conducting extensive due diligence on the potential counterparty. Our processes include risk assessments covering white-collar related crimes risks including money laundering and human rights such as working conditions and child labour.

In parallel, we have been working on a number of initiatives and projects on the ground to support miners improve their practices. We learnt at the beginning of our journey on ASM that harnessing ASM's potential, and responsible sourcing from ASM demands a collaborative approach that starts with dialogue and engagement with multiple

stakeholders including governments, NGOs, civil society, upstream and downstream sector associations and, of course, ASMs themselves. That's why we work with organisations and associations such as Fairtrade, the Swiss Better Gold Association (SBGA) (of which Valcambi is a member) and the Better Gold Initiative (BGI); the Alliance for Responsible Mining and Fairmined; the European partnership for Responsible Minerals (founding member and strategic partner), among others.

It was through our collaboration with Fairtrade that we recently signed a long-term supply agreement with Cooperative Limata, a small mine in Peru.

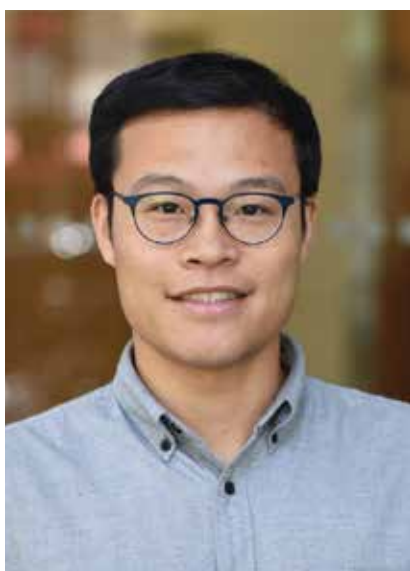
The ASM sector has huge potential as a way out of poverty for millions of people, and as a source of supply for those of us wanted to diversify their sourcing between large-scale mines and ASM, but also for actors who are unable to enter into long-term contract with large miners. To those new to the ASM sector, my recommendations are to get involved in initiatives aimed at supporting the ASMs to adopt responsible practices and to approach ASM sourcing conducting rigorous due diligence, all this via close collaboration with all the multi-party stakeholders involved.

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Applications of Blockchain in Precious Metals

Calvin Lee, Product Manager, Paxos



A blockchain system could include immutable data from the entire lifecycle of a bar or coin. A seller of metal could prove that it was refined at a certain time and refinery, that the refiner was in good standing, and that the source of raw material was not sanctioned. Additionally, the buyer could verify that the bar was in the possession of trusted custodians since production.

What portion of readers here, the attendees of this second Asia Pacific Precious Metals Conference in 2018, have not heard of blockchain technology and its most famous implementation, Bitcoin? If this article was presented even just three years ago, it would be futile to approach any discussion of applications of the technology, and one could only hope to manage a cursory introduction to the topic.

Today, not only has Bitcoin become a household term, but one can find a plethora of public resources from commercial and academic sources on the topic (the original Bitcoin Whitepaper written in 2008 remains an excellent introduction). Here, let us skip such an introduction to blockchain that is better served elsewhere, and instead discuss a few potential applications in precious metals.

Settlement Risk is where a counterparty becomes unable to settle a trade after a trade has already been confirmed. In other words, the counterparty becomes insolvent or illiquid between trade and settlement. Today, OTC spot/forward trades typically settle T+2, and over these two days credit and debit positions build up between the traders due to changes in the market value of the traded assets. A blockchain settlement system could reduce the settlement period to zero, meaning trades settle immediately at execution, thereby reducing the Settlement Risk to zero.

Provenance and the Chain of Custody

In today's precious metals market, producers, refiners, inspectors, regulators, vaults, owners, and others collect different kinds of data about a bar, but there is no system to weave this disparate information into a comprehensive storyline to give a complete view of where a bar came from and where it has been. Blockchain can provide a profound feature toward this effort: immutable timestamping. That means that history can't be rewritten or exaggerated to fit a particular firm's agenda.

Today, buyers must beware of the metal they are purchasing. They must take the seller's word on the nature of the metal they are buying, and its origins and journey to his particular ownership. Inter-dealer trust is the current solution: a dealer

will simply not transact with a disreputable counterparty.

A blockchain system could include immutable data from the entire lifecycle of a bar or coin. A seller of metal could prove that it was refined at a certain time and refinery, that the refiner was in good standing, and that the source of raw material was not sanctioned. Additionally, the buyer could verify that the bar was in the possession of trusted custodians since production.

Supply Chain Management

Similarly, a blockchain can be used to record and track events related to metal, not for the purpose of provenance, but to enable inter-firm supply chains to become more efficient. Imagine if we could track every gram of gold from the moment it is mined to when it is part of a ring that sits on a newlywed's

finger, through multiple suppliers, jurisdictions, and inventory systems. When the order for the ring is placed, every supplier in the supply chain becomes aware of the sale and can adjust their operations according to aggregate demand.

One limitation to harnessing market forces to increase efficiency in an industry is the cost of inter-firm coordination. A vertically-integrated company hopes that its ability to communicate and coordinate up and down its internal supply chain creates more value than the inefficiency generated from a lack of competition within the company. While transfer pricing is a common practice that attempts to mimic the information value of market forces that exist between firms in competitive markets, typically there is no real "internal market" competitive dynamic amongst departments within a firm. A blockchain supply chain tool could reduce the costs of inter-firm coordination and increase efficiency as a result.

Trade Financing

How can a financier be certain that the client he is financing has a clear and unencumbered title to the metal being financed? With a blockchain ledger tracking the ownership of metals, there is single, real-time

version of truth to which all parties can refer for title. Transfers could be bilateral (counterparties do not need to instruct third parties to commit the transfer), real-time (counterparties do not need to wait for a third-party to process instructions), and final (once executed, there can be no “take-backs”).

Once again, trust is an institution on which this industry relies today. Due to the lack of a transparent, certain, and final ledger, trade financiers must instead underwrite their clients to mitigate the risk that title is misrepresented by their clients. With a blockchain solution, client underwriting need not be required, and financiers would be able to finance with no risk or ambiguity in the title.

Post-Trade Risk

When two dealers engage in a trade, there are two types of post-trade risk that they must address: “Herstatt Risk”, and “Settlement Risk”. Blockchain settlements could reduce and eliminate both.

Settlement Risk

Settlement Risk is where a counterparty becomes unable to settle a trade after a trade has already been confirmed. In other words, the counterparty becomes

insolvent or illiquid between trade and settlement. Today, OTC spot/forward trades typically settle T+2, and over these two days credit and debit positions build up between the traders due to changes in the market value of the traded assets. A blockchain settlement system could reduce the settlement period to zero, meaning trades settle immediately at execution, thereby reducing the Settlement Risk to zero. In a market with real-time settlement, there is no Settlement Risk.

Herstatt Risk occurs at settlement, where a dealer delivers one leg to the counterparty, but fails to receive the other leg from the counterparty. In other words, the counterparty becomes insolvent or illiquid between payment initiation and payment finality. For example, this could be caused by a payment failure due to insufficient balance. The two sets of transfer instructions are not in any way mutually contingent (most likely they occur in entirely separate ledger systems, such as the US Fedwire and the LPMCL’s Aurum). In some jurisdictions and scenarios, payment finality may not occur until weeks after the “settlement date”. Blockchain systems solve this problem with an atomic swap: a simultaneous and mutual commitment to changes in multiple blockchain ledgers in a

single transaction.

Once again, inter-dealer trust is relied upon to mitigate risk: dealers are forced to underwrite their counterparties and employ tactics such as delivery-versus-payment. Blockchain settlements could eliminate the need for these practices.

Title Mobilization

Instant transfers not only reduce settlement risk, they can enable a higher utilization rate of precious metals as collateral. Metals could be pledged, rehypothecated, unpledged, and re-pledged in very short periods of time, multiple times a day. The beneficiary of a pledge can be fully certain of the pledge and see in real-time all other pledges.

Conclusion

We have reviewed just a few applications here, and undoubtedly there are unmentioned other ways blockchain technology will influence our market over the coming years. The technology will be combined with other new innovations and will help the market become more efficient and more accessible.

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Emerging Technology to Protect our Gold

Matthew Keen, Emergent Technology



The question of how best to protect the gold industry is not one that can be answered easily. Sitting in the Western world we think of protecting the structure of the global gold market and the regulatory changes that have taken place over the last decade. We think about measures that we, as an industry, can take to ensure that gold remains an important and relevant part of global financial systems. We also think about the physical flow of metal that takes place in the gold market, which has a truly global reach both in terms of supply and consumption. The size, reach and

With advancement in technology, particularly with the power of blockchain, it has become possible to record the steps in the lifecycle of gold, which has been mined responsibly. This means any product made from that gold can be traced back to its origin. As soon as this linkage can be established, it becomes impossible for gold without “identity” to enter the supply chain. By extension, it means that a discerning buyer of gold, whether for investment or for physical consumption, would be able to prove that his gold did not play a role in money laundering or terrorist financing.

sheer value of the gold industry has a profound effect on entire cultures and economies around the world. This can range from artisanal mining, where a few kilos per week extracted from the ground are supporting the livelihoods of thousands of families, to the recipients for whom the physical purchase of gold has been embedded in their life and culture for hundreds of years. Therein lies the challenge.

When you have a supply chain that is so vast it is difficult to know where to start to consider measures to protect all participants whose lives are affected by this yellow metal. Perhaps, it sounds illogical, but I believe the best place to start is... in

the middle. That is to say, dore bars, to refinery, to vault and to wholesale distributors is a significant part of the gold supply chain. It is measurable enough to capture. Stakeholders, such as miners, refiners, logistics companies, all make significant investment in the gold industry and therefore have a vested interest to ensure the flow of metal is watertight. With advancement in technology, particularly with the power of blockchain, it has become possible to record the steps in the lifecycle of gold, which has been mined responsibly. This means any product made from that gold can be traced back to its origin. As soon as this linkage can be established, it becomes impossible

for gold without “identity” to enter the supply chain. By extension, it means that a discerning buyer of gold, whether for investment or for physical consumption, would be able to prove that his gold did not play a role in money laundering or terrorist financing. Furthermore, the consumer can even know with absolute certainty where the gold came from. Even if that information is more than a consumer or investor needs, there will be value in the knowledge that gold was mined responsibly by industry participants who follow World Gold Council conflict-free standards and LBMA responsible sourcing standards.

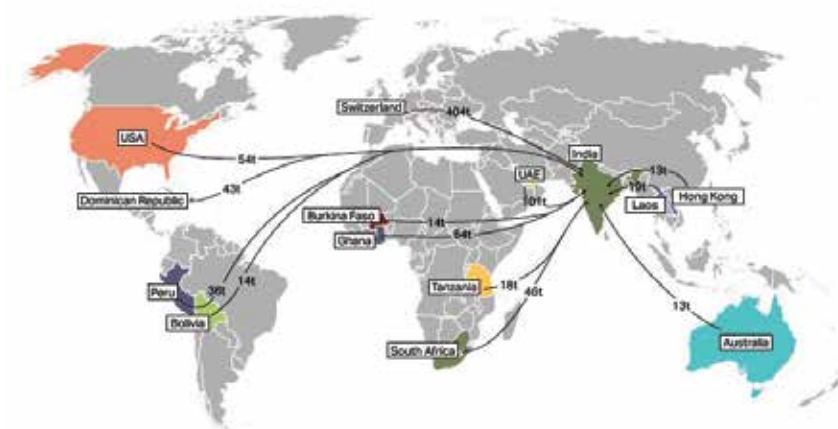
The gold consumer market has always been fiercely competitive, and the Indian market is an extreme example of pricing sensitivities. It is only due to advancements in technology that responsibly sourced gold can be made available at a price-point that can be measured in cents, not dollars. While it is unlikely that India will be at the cutting-edge of this drive, it seems inevitable that consumer markets around the world will gravitate towards this higher standard.

According to the Indian Ministry of Commerce and data from Metals Focus, India imported around 840 tons “officially” in 2017 from more than a dozen countries. With such volumes and regional diversity, it is highly likely there is some level

of “bad” gold entering the Indian market. It is also a certainty that gold bars from legitimate refineries are being forged or cloned. There is no reason why all inbound gold cannot be recorded onto a blockchain-based supply chain, where chain of custody is known as well as provenance. If this were to become reality, then the domestic gold industry would be able to build on these foundations to extend the provenance all the way through to fabricated products. This would allow consumers to know exactly what they are getting. It would close the door to illegally imported gold whose origins may have had been the subject of a variety of illicit activities.

on a finger. Now, with the power of blockchain as a repository of information that can be shared, along with imaging technology that most of us carry around on our smartphones, it is not unreasonable to think that we are close to developing an ecosystem where gold without “identity” cannot be traded. This scenario will go a long way to stamping out crime and illegal practices associated with the physical gold market, as well as protecting all industry participants, ranging from physical consumers in India, all the way back to the artisanal and small-scale miners in the hills of Peru.

Appendix 20 – Indian Official Gold Bullion Imports in 2017



Source: Indian Ministry of Commerce, Metals Focus

Indian Ministry of Commerce, Metals Focus 2018

The further downstream you go into the market, the more difficult it becomes to track the gold. A few years ago, it was unthinkable to record the provenance of a gold ring

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Blockchain in Gold Market. Is it Game-Changer or Just a Fashion?

Nikita Nyazev, Chief Commercial Officer, "A-Ventures"



As we are practically know each gold trading marketplace should have exchange for trading, clearing center for settlement, depository for keeping ownership records, warehouses system, software, assessment and audit center. Of course, trust of end customers will be higher, if you distribute and decentralize rights for storage and processing transaction among all involved parties. And, from my viewpoint, this is where the blockchain becomes a game-changer!

Despite the tremendous popularity of Bitcoin and billions of dollars investments in blockchain technology only few people understand what asset tokenization means and why it is matter. Everybody knows that open and secured market for asset exchanging prospects steady growth and development for country's economy. The value of public listed companies usually exceeds the private one with similar area of business and risk-profile. But even highly liquid precious metals market may be absolutely non-efficient for end-customer in terms of small purchases, buy back or holding in long-term. This is mostly because of intermediaries and a lot of

non-automated paperwork. Market is efficient only for entities, which are in the "first floor" bullion and clearing banks, refiners, large brokers and custodians. End-customer should choose between "paper gold" (unallocated financial instruments) and "physical gold". On both cases he will absorb counterparty risk, face a lot of paperwork and personal visits to office of service provider (online bullion dealer, bullion bank and etc). Furthermore, it is quite difficult to customer to decide which instrument and which counterparty is better. This is why, from my point of view, we see quite stable price of gold, few new players and flat curve of investment demand, only jewelry market is growing, but mostly due to cultural cause and growing wealth of China and India.

The entire situation, from one side, creates the customer's request for globalization of gold trade and democratizing of bullion market, and from the other side pushes market to the time of consolidation. Client wants transparent and simple on boarding process, high usability of software solutions, integrated market infrastructure, speedy and transparent transactions, trusted to market-data, payment provider and secure keeping of ownership and asset. Absence of these features causes choice to study how to manage the process by you or delegate this work to another person, what usually costs a lot.

Cryptocurrency industry and blockchain technology promotes fashion to easy and user-friendly

marketplaces, where you can insert money to the system, buy and sell asset, and send financial result back in a half of hour. Financial world does not want to lose margin or business, so we see tremendous investment in new payment services, digital banks, AI systems, big data and etc. New standards of regulation are focusing on basis of open data and API. This will raise some systematical challenges to the gold market:

- 1) cross-interactions between different products (like coins, ETFs, futures, bars, warehouse receipts)
- 2) cross-interactions between different industries (gold mining, refining, minting, lending)
- 3) shared or common asset management
- 4) proven information and physical security with transparent verification process

In core level asset tokenization mechanism for gold based on blockchain technology can significantly help with all the above issues. The straight-forward interpretation of it – each piece of gold cryptographically bounds with its digital copy, which holds all relevant information on quality, ownership and compliance, and trace it through distributed ledger. Managing of ownership and settlement procedures can be easily realized through approach of digital signature used firstly in Bitcoin. It helps in creating escrow accounts, collateralized deals, p2p lending, and

of course decrease costs, settlement time and increase secured trading.

As we are practically know each gold trading marketplace should have exchange for trading, clearing center for settlement, depository for keeping ownership records, warehouses system, software, assessment and audit center. Of course, trust of end customers will be higher, if you distribute and decentralize rights for storage and processing transaction among all involved parties. And, from my viewpoint, this is where the blockchain becomes a game-changer! Let's see together, what precious metals market is doing now in the area described above.

Bullion dealers start offering vaulting not only for gold but also for cryptocurrencies, accepting it as payment for the gold transaction. As we are all aware, Bitcoin prices have surged in the last year, investors started getting excited, and many individual traders even got involved in the rush. In the meantime precious metals prices are far more stable, so traders started fixing their profits in it. Furthermore, some of bullion dealers noted that transactions paid with Bitcoin tend to be several times higher than average purchases, with a high concentration in gold products¹.

One of the first, who combining the oldest store of value and the newest currency in the world, was Vaultoro². They launched its

trading platform on February 2015 exclusively for gold-BTC real-time trading completely independent of banks in amounts as small as 0.001 gram. Physical gold delivery is possible. In further partnership with Shapeshift.io, the company also allowed users to exchange a variety of cryptocurrencies for gold and instantly spend it anywhere around the globe. Another serious feature is that team pointed transparency as the number one priority. To help ensure transparency, the company provides an audit page on the website where Vaultoro gold holdings can be compared with the vault operator auditing documents. Project announced integration with Factom, allowing it to provide customers with proofs of their reserves and user transactions. By creating API Vaultoro's team make it possible for developers to build third-party applications that utilize the capabilities of Au-BTC trading. As company said next step is to develop a phone app that will give people instant access to private and secure assets.

UK's Royal Mint proposed to the market a new product - Royal Mint Gold (RMG) in November 2016³. Tom Coghill, Chief Commercial Officer of Royal Mint, summarized the general idea of it during his interview as physical tangible asset. One gram in RMG's blockchain represents one gram of real gold physically in their vault. It is also important to mention that they had in partners CME Group, BitGo and AlphaPoint, who delivering

trading platform and custom's digital wallet development. From this point it became obvious to the market that disruption is going not only to the dealers, but also to refineries and exchanges.

Changes will also come to such conservative market as pawn shops – it needs transparency, refinancing and transformation of the current interest rate policy, which definitely higher than 50% a year. In 2017 GoldMint⁴, a Russian-Singaporean blockchain company, came up with an idea to tokenize gold and to launch robotized gold storage ("Custody Bot") that will be able to insert and automatically value items (gold jewelry, small ingots of up to 100 grams and coins). It will also be connected the blockchain for storing data and information of the borrower and his items. The GoldMint platform itself operates two tokens: GOLD (secured by gold reserves) and MNTP. MNTP token acts as a tool for confirming transactions in its custom blockchain with GOLD tokens and provides holders with preferential terms for transactions with gold. GoldMint also uses a Proof-of-Stake algorithm making transaction significantly faster than that on the Bitcoin network. In situations of high volatility, the GOLD tokens allow crypto-investors to mitigate risk by converting their existing crypto-portfolio, instead of

exchanging and parking the value in fiat currency. The smart contract governing GOLD is designed to ensure that the number of tokens sold doesn't exceed the amount of gold held by GoldMint. This information proves the ability to buy back GOLD at the prevailing market price of physical gold. The platform's tokens are now available for trade on the different cryptoexchanges⁵. Let's revert to situation with borrower in pawnshop. After automatic assessment of item by Custody Bot the borrower has the choice how to get money. If he agrees on receiving GOLD, then he automatically gets it in cryptocurrency wallet. In a situation where a borrower needs cash, Custody Bot transferred GOLD tokens to the pawnshop's wallet (as to exchange point) and the borrower receives the equivalent in his desired currency. The pledged property stays in the robots depository, and the pawn shop receives liquid assets – GOLD, which can be used for refinancing. By the way such platform open gateway for peer-to-peer crediting and passive income for token holders.

Current year shows us additional flow of investments into blockchain by reputable names. In February Australia's precious metal refinery, Perth Mint, announced plans to develop its own cryptocurrency backed by physical commodities like

gold. They expect to bring investors back to the traditional market of precious metals. According to CEO's speech⁶, the mint wants to provide a transparent offering that would allow investors to buy and sell "yellow metal" with confidence, knowing that what they are buying is completely traceable. In March⁷ Canadian fintech company Tradewind launched a digital platform for trading, settlement and ownership of physical gold on the blockchain, named VaultChain deposits. It will provide clients with verification and storage of their gold registered through the Royal Canadian Mint. According to the press release, customers will access the market through a network of authorized dealers and will be able to own gold in fractional quantities, in a segregated account or by walleting directly on the blockchain without ongoing management/administrative fees associated with securities products like ETFs. Among project's investors are some highly reputable names in the precious metals sector and exchange technology, including gold producer Goldcorp, IEX Group and precious metals asset manager Sprott.

As you see a lot of new products are growing from the penetration of blockchain technology into the precious metals industry. The good question is "who wins the race for users' confidence?".

¹Forbes Article

²Cointelegraph article

³CME Group News Release

⁴Coinspeaker article

⁵Bancor, YoBit, Singapore International Monetary Exchange, IDEX (Decentralized Ethereum Asset Exchange), EtherDelta

⁶Perth Mint's Interview

⁷Bloomberg News

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ASEAN GOLD SURVEY 2018

Bullion Bulletin Review

Laos

Highlights

- In 2017 Laos produced 7.21 tons of gold, an increase of 7% on yoy basis;
- Total supply remained almost same that of 2016. While country produced more gold, it imported less;
- Export demand increased to 4.28 tons from 3.53 tons in 2016;
- Domestic jewellery and investment demand decreased by 14% on yoy basis;

Mining Revenue at a Glance in 2017

Laos government initially set a target of 15 trillion kip as export revenue of mineral commodities in 2017. However, as per the Ministry of Planning and Investment, in the first six months of 2017, total revenue came as 5.3 trillion kip which translates into 35% of targeted revenue set earlier. The Ministry revised the target for rest of the year and set a new target of 10.9 trillion kip for the whole of 2017. The ministry has identified declining output at some mines, together with drop in prices in world market of some of the minerals are the reason behind the drop in revenue. Gold and silver also come inside this list.

Table 1 Supply and Demand

	2010	2011	2012	2013	2014	2015	2016	2017 ^(E)
Mine	5.13	3.98	6.41	6.83	5.26	6.89	6.72	7.21
Import	4.42	1.00	0.15	1.51	1.87	4.98	1.84	1.38
Total Supply	9.55	4.98	6.56	8.34	7.13	11.87	8.56	8.59
Demand								
Export	2.92	2.28	2.84	3.98	4.02	4.48	3.53	4.28
Jewellery + Investment	6.30	2.70	3.72	4.36	3.11	7.39	5.03	4.31
Industrial	0.33	0.14	0.19	0.22	0.16	0.37	0.25	0.22

Source: www.ceicdata.com/Bank of the LAO PDR

(^E) Estimated

Gold Market in Laos

Like any other Asian countries, gold is used in Laos as traditional savings mechanism primarily. It is also used as hedge against depreciation of Lao currency. Gold mining is major source of foreign receipts. In domestic market, 60 percent gold demand is for store of wealth, while jewellery comprises 35 percent and the rest 5 percent is the industrial demand.

Apart from gold mining, as indicated in the table, the country also imports refined gold to serve the domestic market. However, the import swings sharply because there is strict government control on gold. Laos government has levied 10 percent import tax and 10 percent Value Added Tax on gold import. This has made gold highly expensive and created disadvantage in developing local market. High taxation naturally has made value added product like jewellery highly expensive. Opportunity to export gold jewellery is also lost.

Export of gold



Philippines

Highlights

- In 2017 total gold production declined by 1.37% on y-o-y basis. Philippines produced 22.69 tons of gold;
- Gold export had risen exponentially in 2017. Country had exported around \$1223.34 million worth gold in 2017 compared to \$535.21 million in 2016;
- Central bank gold reserve remained unchanged at 196 tons;

Gold Market

Table 1: Supply (in tons)

	2010	2011	2012	2013	2014	2015	2016	2017
Mine	40.80	31.15	14.50	17.20	18.41	20.63	23.05	22.69

Source: www.ceicdata.com/Philippines Statistical Authority

Country's production has come down substantially from 2010 level in volume terms. Though from 2013 onwards production has been rising, but it is still far away to reach 2010 level of 40 tons. Gold still contributes the lion's share in country's total mineral production. In 2017, value realization from gold mining is PhP 45 billion (\$ 0.98 billion), out of total mineral production of Php 108.63 billion (\$2.73 billion).

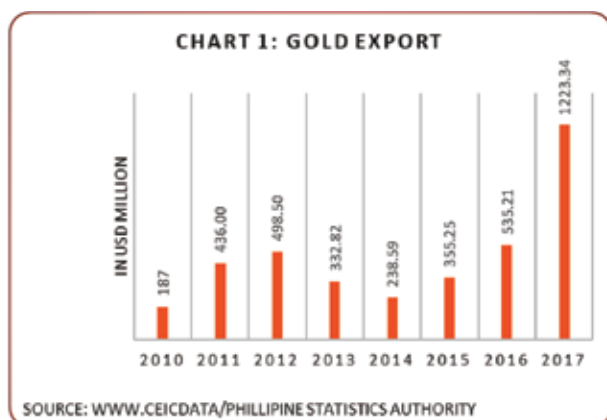
Masbate Gold Project of Phil. Gold Processing & Refining Corp produced highest gold in 2017. It produced 6295 Kgs of gold in 2017. However, it was 2 lower than mine's production in 2016. Masbate was followed by Didipio Copper Gold Project of Oceana Gold Philippines Inc. it produced 5624 Kgs of gold, an increase of 24 percent from previous year.

Table 2 Comparison of Philippines Gold Production in last two years

Qty – in Kilograms

Name of Producer	Project Name	CY 2017	CY 2016	Percentage Change
Primary Producer		Qty	Qty	
Lepanto Cons. Mng. Corp.	Victoria Gold Project	502	735	-32
Johson Gold Mning Corp.	Paracale Gold Project	0	0	
Benguet Corporation	Acupan Contract Mng. Project	383	450	-15
Mindanao Mineral Processing and Refining	Co-O Gold Project	2,868	2,676	7
APEX Mining Company Inc.	APEX Maco Operation	1,886	1,597	18
Various Small Scale Mines based on Purchases of BSP*	104	140	-26	
Phil. Gold Processing & Refining Corp.	Masbate Gold Project	6295	6414	-2
Greenstone Resources Corporation	Siana Gold Project	326	1949	-83
FCF Minerals	Runruno Gold-Molybdenum Proj	1120	254	341
Secondary Producers				
Philex Mining Corp.	Padcal Copper-Gold Operation	2633	3213	-18
Lepanto Cons. Mng. Corp.	Energite Project	218	0	
Carmen Copper Corporation	Toledo Copper Operation	680	1050	-35
Oceana Gold Philippines Inc.	Didipio Copper Gold Project	5684	4576	24
Total		22,699	23,053	-2

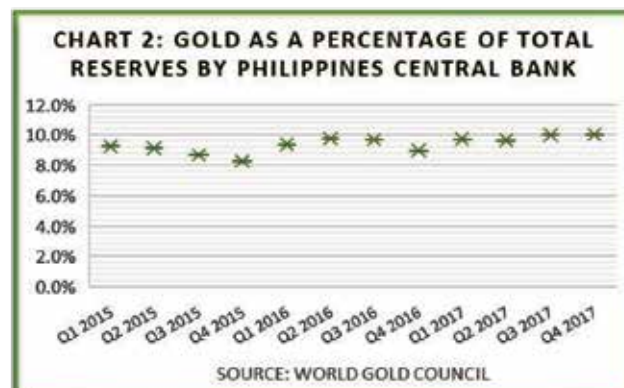
Source: Department of Environment and Natural Resources, Mines and Geosciences Bureau, Republic of Philippines



2017 remained exception year for Philippines as booming gold price has augmented huge rise in revenue. Export sale of gold rose by 79% y-o-y to \$1.20 billion. This

translates into around 20 tons of gold in volume terms, which in turn suggests that Philippines exported 90% of its gold mines in 2017.

Central Bank Gold Reserve



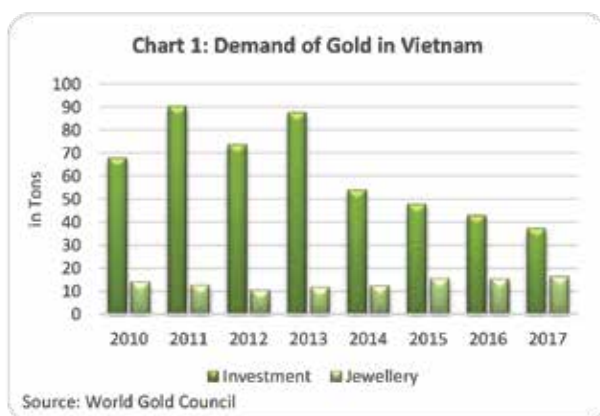
Vietnam

Highlights

- According to World Gold Council estimates, in 2017, gold jewellery demand has increased to 16.50 tons from 15.41 tons in 2016, i.e. a steady increase of 7%.
- Investment demand has dropped to 37.40 tons in 2017 from nearly 43 tons in 2016, i.e. a decrease of 14%.
- Central bank gold reserve has come down to 8.37 tons in 2017.

Gold Market

Demand of Gold



According to World Gold Council estimates, in 2017, gold jewellery demand has increased to 16.50 tons from 15.41 tons in 2016, i.e. a steady increase of 7%. On the other hand, investment demand has dropped to 37.40 tons in 2017 from nearly 43 tons in 2016, i.e. a decrease of 14%. While restriction on gold bullion import is still in place, it is observed that rural population does not have the access of investment and hence they rely on gold jewellery. They buy both for saving and luxury. Rising price is also a factor behind buying less gold as an investment in urban sector.

It is to be noted here that a large section of Vietnamese considers gold and US dollar as store of value, or as hedge against inflation and other uncertainties. However, State Bank of Vietnam wants to stabilize the Dong and earn public trust on the currency. It is learnt that the central bank has initiated a draft guideline on the amendment of the Decree No.24 in end of 2017 and had sent for feedback. It may allow jewellery fabricators to import gold for manufacturing need. But, it can be simply understood that this option is available only for jewellery manufacturing – this relaxation can not be used for investment purpose. This means, SBV

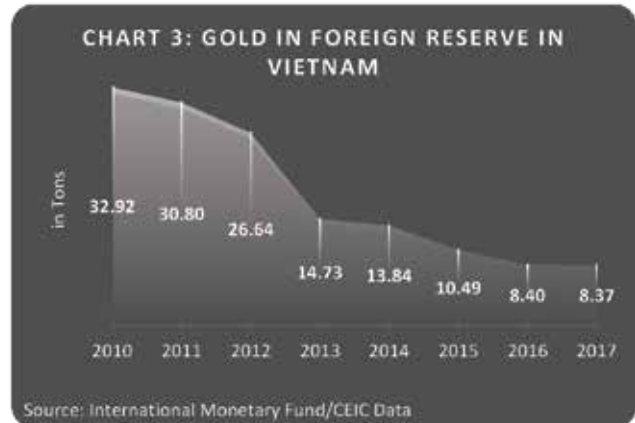
will continue to control the market. According to central bank estimate, Vietnamese are holding 500 tons of gold as savings.

With this development in place, common Vietnamese are worried how the scheme will be implemented. The revision in decree will also provide power to central bank to introduce gold savings from organization and individuals and trading the precious metals in the gold exchanges.¹ They are asking whenever they want to withdraw the deposit, will they be paid in gold or it will be converted into the dong.

Vietnam Gold Traders' Association had written to central bank in 2016 to mobilize the idle gold lying with public. It would ensure the supply in the domestic market since the demand of gold for jewellery is around 15 tons. The association also believes that this will ensure central bank to monitor the market effectively. Realizing the need of the market, SBV allowed commercial banks to provide loans to jewellery manufacturers. SBV also started monitoring the sales figure to understand the market better and at the same time, SBV is willing to understand what kind of import is required for jewellery manufacturing. The association is keen on central bank introducing the gold trading floor to ensure the free flow of the mobilization of the metal. Central government also on the other had urged the central bank to look into this matter.

Since Mid 2016 to mid 2017, gold price had declined and recovered thereon in Vietnam.

Gold as Strategic Reserve



Vietnam central bank had decreased gold from its strategic reserve in recent years. The holding was 33 tons in 2010. In 2017 it has come down to 8.37 tons.

Reference

1. <https://tuoitrenews.vn/news/business/20171207/vietnams-central-bank-contemplates-mobilizing-gold-from-public/43027.html>

to be continued...

Gold Price Index





Location and date Mumbai, 03 May 2018

Gold demand in 2018 gets off to quiet start as investment slows

Gold demand had a soft start to 2018, reaching 973 tonnes (t), the lowest first quarter since 2008. This was largely caused by a fall in investment demand for gold bars and gold-backed exchange-traded funds (ETFs), as a subdued gold price environment hampered demand.

Global jewellery demand was roughly flat at 488t, down 1% on Q1 2017. Demand in China was buoyed by holiday demand, and US demand continued to improve in response to the supportive economic backdrop. In contrast, Indian consumers were discouraged by rising gold prices, exaggerated by a weakening rupee, with demand down 12% compared with 2017.

China, Germany and the US drove weakness in bar and coin investment: global demand was down 15% to 254.9t. The range-bound gold price undermined investor interest in these markets, although China's weakness was partly due to exceptional strength in Q1 2017.

ETFs saw their fifth consecutive quarter of inflows. Holdings grew by 32t, due solely to growth in North America. Investment in the first quarter was mixed, with rising interest rates on the one hand, and a sharp spike in stock market volatility on the other. As gold prices were relatively subdued, many investors lacked a clear signal.

Central banks added 116t to global official reserves in Q1 2018. This was the highest Q1 total for four years and in line with average quarterly purchases since Q1 2010 of 115t. Russia, Turkey and Kazakhstan again dominated the list of central banks buying gold, adding 91t between them.

Demand for gold in the technology sector continued to improve, up 4% on Q1 last year. The wireless sector was a key area of growth as 3D sensors for facial recognition were increasingly deployed in smartphones, gaming consoles and security systems.

Alistair Hewitt, Head of Market Intelligence at the **World Gold Council**, commented:

"Relatively solid global economic growth, coupled with the return of volatility in the capital markets in February, created a stable environment for gold in Q1 – while equity markets around the world came under pressure, the gold price rose.

Although demand was down year-on-year, we saw encouraging levels of jewellery demand in China, the US and Europe, continued growth in the technology sector, and steady inflows into ETFs, albeit at a slower pace than last year. Solid inflows into central bank reserves also highlight the ongoing relevance of gold as a strategic asset for institutional investors."

The total supply of gold increased by 3% in Q1 2018 to 1,064t, due to increased mine production and net hedging. Mine production and recycling levels both saw fractional increases compared with Q1 2017, at 770t and 288t respectively.

The key findings included in the Gold Demand Trends Q1 2018 report are as follows:

- **Overall demand** was 973t, a decrease of 7% compared with 1,047t in Q1 2017
- **Total consumer demand** fell by 6% to 743t, from 790t in the same period last year
- **Total investment demand** was down 27% to 287t compared with 394t in Q1 2017
- **Global jewellery demand** fell 1% to 488t, from 492t in the same period in 2017
- **Central bank demand** grew by 42% to 116t compared with 82t in Q1 2017
- **Demand in the technology sector** increased 4% to 82t compared with 79t in Q1 2017
- Total supply was up 3% to 1,064t, from 1,032t in the same period last year
- Recycling was virtually unchanged at 288t, compared with 287t in Q1 2017

The **Gold Demand Trends Q1 2018** report, which includes comprehensive data provided by Metals Focus, can be viewed at <http://www.gold.org/research/gold-demand-trends> and on our iOS and Android apps. Gold Demand Trends data can also be explored using our interactive charting tool <http://www.gold.org/data/gold-supply-and-demand/gold-market-chart>.

You can follow the World Gold Council on Twitter at @goldcouncil and Like on Facebook.

(TO BE PUBLISHED IN THE GAZETTE OF INDIA EXTRAORDINARY PART-I
SECTION-I)GOVERNMENT OF INDIA
MINISTRY OF COMMERCE AND INDUSTRY
DEPARTMENT OF COMMERCE**PUBLIC NOTICE No. 06/2015-2020**
NEW DELHI, DATED THE 10th May, 2018**Subject: Amendments in Standard Input Output Norms, Appendix-4B and Appendix 4J of Hand Book of Procedures 2015-20 –reg.**

In exercise of powers conferred under Paragraph 1.03 of the Foreign Trade Policy 2015-2020, as amended from time to time, the Director General of Foreign Trade makes the following amendments in **Standard Input output Norms (SION)**, **Appendix-4B** and **Appendix 4J** of Hand Book of Procedures 2015-2020:

1. The following Standard Input output Norms (SIONs) pertains to Food Products Group is suspended with immediate effect:

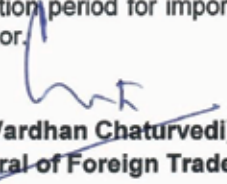
E75, E76, E77, E78, E100, E101, E102

2. Appendix-4B is amended to read as per Annexure attached to this Public Notice.
3. Existing entry at SI.No-7 of Appendix-4J is corrected to read as under:

Serial No.	Import Item(s)	Export Obligation Period with pre-import condition from the date of clearance of each import consignment by Customs Authority
7	Precious Metal Gold/Silver/Platinum (pertains to Gem and Jewellery Sector)	120 days

Effect of this Public Notice:-

- (i) SION SI.Nos E75, E76, E77, E78, E100, E101 and E102 are suspended with immediate effect. No Advance Authorisations shall be issued under these SIONs.
- (ii) Revised List of Nominated Agencies for import of Gold and Silver is published.
- (iii) Appendix 4J is amended restoring normal export obligation period for import of precious Metal for other than Gems and Jewellery sector.


(Alok Vardhan Chaturvedi)
Director General of Foreign Trade

[Issued from File No. 01/94/180/34/AM19/PC-4, 01/94/180/199/AM18/PC-4
and 01/94/180/261/AM18/PC-4]

India's gold demand falls by 12% to 115.6 ton in Q1: WGC Report



The gold demand in India declined by 12% in the first quarter of this year

to 115.6 tonne compared to the same period last year due to high local gold price, the World Gold Council (WGC) said in a report. The total demand stood at 131.2 tonne in the January- March period in 2017, WGC said in its 'Gold Demand Trends' report for Q1 2018. In terms of value, the gold demand fell by 8% to Rs 31,800 crore, compared to Rs 34,440 crore in the same period of 2017.

"The decline in demand can be attributed to a number of reasons, including the rising local gold prices, a substantial drop in the number of auspicious wedding days during the period compared to the previous year, and anticipation of an import duty cut in the Union Budget," WGC, India, Managing Director P R Somasundaram told PTI. "The transition to GST, especially by the unorganised sector, also affected demand to a certain extent," he said. Also, the trade sentiment was subdued following the (PNB) bank scam, which continued till 'Akshaya Tritiya', he added. The jewellery demand in India for the first quarter dipped by 12% to 87.7 tonne, compared to 99.2 tonne in the same period of 2017.

Meanwhile, the gold imports declined by 50% in the first quarter of this year to 153 tonne compared to 260 tonne in the same period last year. "The imports declined mainly on account of subdued consumer demand, down stocking following the GST transitional

period and also on expectations of duty cut in budget," he added. Asked about imports this year, Somasundaram said the gold shipment into the country is likely to be on similar lines with demand. For the full year of 2018, he said, the gold demand in India is expected to be in the range of 700"800 tonne. "We are positive about the gold demand going forward due to expectation of better monsoon, higher rural income and overall GDP growth. The compliance standard is growing and in the long run its going to be positive and transform the industry," he said.

Source: <http://www.dnaindia.com/busi>

Reserve Bank of India adds 2.5 tonnes of gold to forex reserves in Q4

The Reserve Bank of India (RBI) has added 2.5 tonnes of gold to foreign exchange reserves for the quarter ended March 2018 in two tranches.



This is the first such addition after 2009, when the central bank bought 200 tonnes of the yellow

metal from the International Monetary Fund (IMF) at \$1,032 per tonne. According to IMF data (updated till March 2018), India's gold holding in forex reserves rose to 560.3 tonnes by the end of March 2018. "The addition looks like a pilot purchase. The net impact is that reserves are up marginally. This is not significant and does not imply strategic addition, unless we see a creeping acquisition trend," a source said. "This was a decision taken by the government before the Budget presentation. But due to the sensitivity of the issue, it

was not announced,” another source added.

According to sources, India could add gold mobilised by the Gold Monetising Scheme to its forex reserves.

Source: <http://www.business-standard.com/>

MCX launches India's first silver options



India's first options contract on silver futures was launched on Thursday on Multi

Commodity Exchange of India (MCX). At the end of first trading session at 05:00pm the contract registered a total volume of 278 lots with value of Rs. 34.36 crore.

Options contracts expiring in the months of June '18, August '18, November '18, February '19 and April '19 have been currently offered for trading with corresponding silver (30 kilograms) futures as underlying. Each option expiry has minimum twenty one strikes available which means ten each for 'In the Money' (ITM), ten 'out of the money' (OTM) and one 'near-the-money' with strike price intervals of Rs 250. The European-styled silver options with a tick size of Rs. 0.50 are physically settled, which means the exercised positions of the options contract post expiry shall devolve into the respective underlying future positions. In FY17-18 the annualised volatility in silver was 14%, which is indicative of the quantum of risk the industry is exposed to annually. This contract will enable the silver stakeholders, including industrial consumers and producers harness the benefits of a new risk management tool.

Speaking on the launch, Mrugank Paranjape, MD & CEO, MCX said, "It is highly encouraging to see that the

silver options contract recorded an impressive debut today with strong interest from the bullion industry. The unique properties of Silver, which is regarded as Gold's more volatile cousin, makes it attractive as both precious and industrial metal. And, Indian bullion industry and consumers are exposed to its price volatility, largely driven by global fundamentals. The performance in silver option trading clearly exhibits the market's appetite for the new exchange-traded offering to complement the existing bullion suite, which will provide the market participants with versatility and choice in tailoring their risk management and trading strategies."

Surendra Mehta, National Secretary, India Bullion & Jewellers Association Ltd. (IBJA) said, "We are happy to note that with the launch of much needed and long awaited financial instrument, 'silver options', bullion industry would be provided with unparalleled opportunities to hedge and mitigate price risk in a more flexible and cost effective manner. In a dynamic and fast growing bullion market, we are sure that the product will have a wider appeal among its stakeholders."

Source: <https://economictimes.indiatimes.com>

Myanmar traders to start up gold export, import business

Myanmar's local gold traders are planning to start up gold export and import businesses following the government's announcement of relaxing rules for trading gold products abroad, the official Global New Light of Myanmar reported. The export and import of gold and jewellery were permitted by the Ministry of Commerce aiming at eradicating illegal trading as well as earning more revenue for the government and maintaining the market's stability.

The traders will start the export and import of pure gold in accordance with the international gold weight measurement standard of fine gold and gold bar with slightly lower standard than pure gold. The international buyers are permitted to make payments through letter of credit or telegraphic transfer system regulated by the Central bank of Myanmar.

Source: <http://www.xinhuanet.com/english>

How Losing Control of The World's Biggest Gold Mine Could Pay Off For Freeport

Bloomberg reported that Rio Tinto is ready to accept \$3.5 billion from Indonesia's state-owned Inalum for its 40-percent stake in the Grasberg gold and copper mine. Located in Indonesia, Grasberg is the largest gold mine and second-largest copper mine in the world. Rio Tinto confirmed to Reuters that it is in discussions with Inalum, but said no final agreement has been reached. The mine is owned and operated by Freeport Indonesia, a subsidiary of Freeport-McMoRan Inc FCX 1.05%. The deal is part of the Indonesian government's plan to obtain majority control of the mine.

Why the Deal Matters

Rio Tinto's stake is not in the mine itself. Rather, it's in a project that will expand Grasberg's production

dramatically. In the current structure, Rio Tinto only receives 40 percent of production above a certain level, and 40 percent of all production after 2023. Freeport owns 90.64 percent of the mine, with the remainder currently owned by Inalum. Indonesia has been keen to take control of the mine, which is seen as a national treasure, and has been doing everything in its power to force Freeport into a cheap agreement — including setting a requirement last month that a deal be made by 2019. If the deal with Rio Tinto goes through, Freeport would only have to divest about 9 percent of PFTI to Inalum to get Indonesia to the 51-percent ownership it requires.

Why Losing Control Pays Off for Freeport

In the short term, losing control of Grasberg seems like a major loss to Freeport. But after 2023, the company's stake is only shrinking by less than 2 percent. Operations would continue to be run by Freeport as well. As highlighted by Bloomberg, the mine produces copper at a negative cost thanks to the gold byproduct; the current license runs until 2041, making the equity loss insignificant in the long-term. B. Riley FBR's Pipes said the Rio Tinto deal, should it go through, would reduce the likelihood of some of the most damaging potential outcomes for Freeport. In other words, it potentially means the end of Indonesia's regulatory attacks on Freeport. For the foreseeable future, risks around taxes and environmental standards will continue to be present, the analyst said. "Overall, we believe that Freeport offers greater reward than risk in light of [Tuesday's] development, and we would buy the stock at current levels."

Source: <https://www.benzinga.com/analyst>

गोल्ड वैल्यु चेन के लिये अवसंरचना विकास

निरूपमा सौंदर्यराजन, सीनियर फैलो, पहले इन्डिया फाउन्डेशन

अरिन्दम गोस्वामी, फैलो, पहले इन्डिया फाउन्डेशन



वृहद गोल्ड नीति का पहला चरण गोल्ड की परिभाषा विकसित करना है। अगला कदम गोल्ड इको सिस्टम के लिये मौजूदा अवसंरचनाओं का विकास तथा नयी अवसंरचनाओं का निर्माण करना है। भारत में गोल्ड वैल्यु चेन को तीन श्रेणियों में विभक्त किया जा सकता है—पहला खरीदी (लीज या फायनान्सिंग), स्थानीय कारोबार, भंडारण तथा वितरण। वर्तमान में गोल्ड लीजिंग या फायनान्सिंग क्षेत्र सीमित है, कारोबार प्राथमिक रूप से औपचारिक सिस्टम से बाहर होता है तथा भंडारण व वितरण नेटवर्क जीर्ण हो चुका है। देश में एक मजबूत गोल्ड इकोसिस्टम विकसित करने के लिये खरीदी, कारोबार तथा भंडारण की तिकड़ी का बेहतर परिचालन के साथ निर्माण करना है।

पारंपरिक रूप से गोल्ड के लिहाज से भारत एक आयात निर्भर अर्थव्यवस्था है इसलिये खरीदी एक महत्वपूर्ण चुनौती है। वर्तमान में गोल्ड का आयात नामित बैंको तथा संस्थाओं के माध्यम से होता है लेकिन अधिकतर आयात बैंको के माध्यम से ही होता है। आयात के अलावा बैंक जीएमएल के माध्यम से गोल्ड ट्रेड फायनान्स व वर्किंग केपीटल फायनान्स भी करता है। बैंको द्वारा गोल्ड व्यवसाय में अहम भूमिका निभाने के बावजूद इसे मुख्य व्यवसाय नहीं माना जाता है। वास्तव में गोल्ड व्यवसाय को उनकी मुख्य व्यवसाय गतिविधियों के लिये बोझ समझता है। बैंको द्वारा गोल्ड व्यवसाय को लेकर हिचक या संशय मुख्यतः दो कारणों से है। पहला, वे गोल्ड कारोबार में पारदर्शिता को लेकर दिग्भ्रमित हैं क्योंकि अधिकतर लेनदेन ओवर-काउन्टर होता है। दूसरा, कई बैंको ने यह माना है

कि उनके पास गोल्ड व्यवसाय के लिये अनुभव तथा विशेषज्ञता की कमी है। इस स्थिति में हमारा पहला सुझाव यह है कि आरबीआई को एक भिन्न बैंकिंग लाइसेन्स के अंतर्गत एक विशेष श्रेणी के "बुलियन बैंक" स्थापित करने की अनुमति दी जानी चाहिये। हमारा यह भी सुझाव है कि बुलियन बैंक लाइसेन्स केवल मौजूदा वाणिज्यिक बैंको तक ही सीमित नहीं होना चाहिये बल्कि अन्य वित्तीय संस्थानों को भी दिया जाना चाहिये जो कि गोल्ड व्यवसाय को समझते हैं। भारत इसका अनुसरण करते हुए वित्तीय संरचना का यह भाग स्थापित कर सकता है जिसमें खरीदी, बिक्री, लीजिंग, फायनान्सिंग, री-फायनान्सिंग, बुलियन निवेश जैसी अनेक गतिविधियां संचालित की जा सकती हैं।

बुलियन बैंक गोल्ड खरीदी में पारदर्शिता तो ला सकते हैं लेकिन ओटीसी कारोबार





के कमी लाने आवश्यक रूप से सही नहीं हो सकते हैं। इसका अर्थ यह है कि अधिकतर कारोबार औपचारिक वित्तीय सिस्टम से बाहर होता जिसमें वैल्यू चेन के सभी हिस्सों में भाव व गुणवत्ता की भिन्नता रहती है। वैश्विक अनुभव के आधार पर यह कहा जा सकता है कि बुलियन स्पॉट एक्सचेंज की सहायता से वित्तीय बाजार में गोल्ड व्यवसाय से सामंजस्य बैठाया जा सकता है। स्पॉट एक्सचेंज की मदद से गोल्ड के भाव व गुणवत्ता में भिन्नता घटायी जा सकती है। चीन तथा टर्की ऐसे दो उदाहरण हैं जिन्होंने गोल्ड स्पॉट एक्सचेंज स्थापित कर अपने गोल्ड व्यवसाय को बेहतर किया है। भारत में गोल्ड स्पॉट एक्सचेंज की घोषणा केन्द्रीय बजट २०१८-१९ में की जा चुकी है। इसकी स्थापना के लिये वृहद नियामक संरचना का विकास किया जाना बाकी है।

स्पॉट तथा वायदा बाजार के एकीकरण के लिए प्रो. रमेशचंद्र की अध्यक्षता में गठित समिति ने हाल में यह सुझाव

दिया है कि गोल्ड स्पॉट एक्सचेंज का विनिमय सेबी द्वारा किया जाना चाहिये। सेबी हालांकि इसके लिये ठीक विकल्प लगता है लेकिन हमारा मानना है कि सेबी के पास स्पॉट लेनदेन के लिये आवश्यक साधन उपलब्ध नहीं है। हमारा सुझाव है कि स्पॉट एक्सचेंज की स्थापना एक भिन्न कानून के तहत एक अलग नियामक (गोल्ड बोर्ड) के अंतर्गत होना चाहिये। किसी भी स्पॉट गोल्ड एक्सचेंज की नियामक संरचना गोल्ड बाजार के आकार तथा इसमें भाग लेने वाले संभावित प्रतिभागियों के लिये लाभदायक होना चाहिये। ऐसा एक्सचेंज बाजार को एकीकृत करने, भाव में पारदर्शिता बढ़ाने, गुणवत्ता बेहतर करने में सहायक होगा तथा महत्वपूर्ण रूप से यह कृषि उत्पादों से भिन्न बुलियन उत्पादों में कारोबार का तंत्र विकसित करेगा।

गोल्ड की खरीदी तथा लेनदेन के लिये समुचित अवसंरचना की योजना बनाने के बाद अगला कदम स्वभाविक ही भंडारण का होता है। अभी भारत में बुलियन वॉल्टिंग रेग्युलेटेड नहीं है। हाल में सेबी ने कमोडिटी एक्सचेंजों को यह निर्देश दिया है कि उनके द्वारा उपयोग किये जाने वाले वॉल्टों में आधारभूत नियमों का पालन किया जाये। सेबी का यह कदम सराहनीय है जो कि किसी नियामक संस्था की अनुपस्थिति तथा वॉल्टिंग कानून के अभाव अंतर्राष्ट्रीय मानकों की तुलना में दोयम दर्जे का है। इसके अंतर्गत केवल एक्सचेंजों द्वारा उपयोग किये जाने वाले वॉल्टिंग ही आते हैं जबकि बैंको, बुलियन जमा करने वाले एनबीएफसी तथा वित्तीय संस्थानों के वॉल्ट इस परिधि से बाहर हैं।

भारत में वेयरहाउसिंग का नियमन वर्तमान में वेयरहाउसिंग डेवलपमेंट एन्ड रेग्युलेटरी अथॉरिटी ऑफ इन्डिया (डब्ल्यूडीआरएआई) के द्वारा किया जाता है जो कि वेयरहाउस रीसीट कारोबार के लिये केवल अधिसूचित कृषि तथा बागवानी उत्पादों जिंसों के लिये मान्यता प्रदान करने व निगरानी का कार्य करता है। इस संरचना में बुलियन वॉल्टिंग शामिल नहीं की जा सकती है। वॉल्ट वित्तीय श्रृंखला की एक महत्वपूर्ण कड़ी है। इस क्षेत्र में हमारा सुझाव है कि डब्ल्यूडीआरएआई को अपनी पहुंच गोल्ड व बुलियन उत्पादों के भंडारण तक विस्तारित करना चाहिये। इस एक कदम से पूरा गोल्ड इको सिस्टम लाभान्वित हो सकेगा तथा देश में मानकीकृत गोल्ड की सप्लाई सुनिश्चित हो सकेगी। हमारा यह भी सुझाव है कि कृषि व बागवानी जिंसों के वेयरहाउस के अनुरूप ही गोल्ड वॉल्ट की भी मान्यता अनिवार्य की जानी चाहिये। गोल्ड वॉल्ट आगे चलकर डिजीटल गोल्ड कारोबार की नींव साबित हो सकते हैं।

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

IBJA Opening & Closing Rates for Gold and Silver

(All rates in INR)												
Date	Gold 999 (AM Price)	Gold 999 (PM Price)	Gold 995 (AM Price)	Gold 995 (PM Price)	Gold 916 (AM Price)	Gold 916 (PM Price)	Gold 750 (AM Price)	Gold 750 (PM Price)	Gold 585 (AM Price)	Gold 585 (PM Price)	Silver 999 (AM Price)	Silver 999 (PM Price)
	10 Gms	10 Gms	10 Gms	10 Gms	10 Gms	10 Gms	10 Gms	10 Gms	10 Gms	10 Gms	1 Kg	1 Kg
05-02-2018	31050	31065	30900	30915	28442	28456	23288	23299	18164	18173	38900	38960
05-03-2018	31010	31065	30860	30915	28405	28456	23258	23299	18141	18173	39010	39175
05-04-2018	31135	31160	30985	31010	28520	28543	23351	23370	18214	18229	39165	39180
05-07-2018	31315	31375	31165	31225	28685	28740	23486	23531	18319	18354	39520	39445
05-08-2018	31285	31230	31135	31080	28657	28607	23464	23423	18302	18270	39390	39335
05-09-2018	31345	31280	31195	31130	28712	28652	23509	23460	18337	18299	39380	39435
05-10-2018	31400	31445	31250	31295	28762	28804	23550	23584	18369	18395	39645	39815
05-11-2018	31460	31615	31310	31465	28817	28959	23595	23711	18404	18495	39965	40290
05-14-2018	31515	31590	31365	31440	28868	28936	23636	23693	18436	18480	40030	40040
05-15-2018	31400	31570	31250	31420	28762	28918	23550	23678	18369	18468	39660	39805
05-16-2018	31180	31085	31030	30935	28561	28474	23385	23314	18240	18185	39515	39385
05-17-2018	31030	30980	30880	30830	28424	28378	23273	23235	18153	18123	39515	39595
05-18-2018	31115	31095	30965	30945	28501	28483	23336	23321	18202	18191	39800	39795
05-21-2018	31075	31060	30925	30910	28465	28451	23306	23295	18179	18170	39680	39715
05-22-2018	31120	31250	30970	31100	28506	28625	23340	23438	18205	18281	39950	40175
05-23-2018	31210	31440	31060	31290	28588	28799	23408	23580	18258	18392	40095	40300
05-24-2018	31345	31415	31195	31265	28712	28776	23509	23561	18337	18378	40110	40245
05-25-2018	31440	31355	31290	31205	28799	28721	23580	23516	18392	18343	40330	40305

The above rates are exclusive of GST/VAT

Bullion - Data & Statistics

Gold Spot Market, International (Per Troy Ounce)			
Spot gold	01 st May	25 th May	% Change
Australia (AUD)	1744.52	1722.23	-1.28
Britain (GBP)	959.32	977.44	1.89
Canada (CAD)	1676.78	1688.57	0.70
Europe (Euro)	1088.49	1116.46	2.57
Japan (Yen)	143418	142473.40	-0.66
Switzerland (CHF)	1301.14	1287.73	-1.03
USA (USD)	1305.45	1301.70	-0.29

Silver Spot Market, International (Per Troy Ounce)			
Spot Silver	01 st May	25 th May	% Change
Australia (AUD)	21.63	21.83	0.92
Britain (GBP)	11.89	12.38	4.14
Canada (CAD)	20.79	21.39	2.92
Europe (Euro)	13.48	14.14	4.93
Japan (Yen)	1778.26	1801.61	1.31
Switzerland (CHF)	16.13	16.32	1.19
USA (USD)	16.17	16.47	1.87

Monthly Exchange Data (Gold) (From May 02-30)						
Exchange	Commodity	Open	High	Low	Close	% Ch.
COMEX ²	Gold Aug 18	1330.60	1332.40	1286.80	1309.00	-1.23
SHANGHAI –SHFE ⁴	Gold Aug 18	271.65	273.60	268.40	271.70	-0.35
Singapore- ICE (ICESA) ⁵	Gold Aug 18	42.39	42.66	41.43	42.08	-1.13
MCX ¹	Gold Aug 18	31190.00	31808.00	31098.00	31472.00	0.74
NCDEX HEDGE	Gold Sep'18	28848.00	29222.00	28569.00	29181.00	1.12
TOCOM ³	Gold Aug 18	4625.00	4654.00	4555.00	4555.00	-1.51

1- Rs/10 gms, 2- \$/oz, 3- Jpy/gm 4 (RMB) Yuan/gram 5 - \$/gram

Monthly Exchange Data (Silver) (From May 02-25)						
Exchange	Commodity	Open	High	Low	Close	% Ch.
COMEX ²	Silver Sep18	16.44	16.96	16.16	16.63	0.88
MCX ¹	Silver Sep18	39870.00	41480.00	39853.00	40880.00	2.51
TOCOM ³	Silver Aug'18	58.10	59.20	57.60	57.90	-0.34

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

Gold Spot Market, India			Rs/10gm
Spot Gold	02 nd May	25 th May	% chg
Ahmedabad	30918.00	31171.00	0.82
Bangalore	30643.00	30798.00	0.51
Chennai	31216.00	31479.00	0.84
Delhi	32130.00	32475.00	1.07
Mumbai	32213.00	32291.00	0.24
Hyderabad	31187.00	31517.00	1.06
Kolkata	32330.00	32372.00	0.13

Currency Change (Monthly)		
	01 st May	25 th May
EUR/USD	1.9930	1.6500
USD/AUD	1.3351	1.3248
USD/GBP	1.3614	1.3296
USD/INR	66.44	67.80
USD/JPY	109.86	109.38

Silver Spot Market, India		Rs/kg	
Spot Silver	02 nd April	25 th May	% chg
Mumbai	42000.00	43000.00	2.38

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
01-05-2018	1309.20	956.37	1087.68	1307.10	958.37	1087.90	01-05-2018	16.25	11.87	13.51
02-05-2018	1310.75	960.52	1091.99	1304.20	958.59	1089.66	02-05-2018	16.35	11.98	13.62
03-05-2018	1313.30	966.19	1094.64	1315.05	968.01	1098.59	03-05-2018	16.47	12.12	13.74
04-05-2018	1309.35	965.78	1094.09	1309.40	969.61	1097.80	04-05-2018	16.42	12.10	13.72
08-05-2018	1310.05	969.44	1101.88	1306.60	968.45	1103.03	05-05-2018	16.45	12.17	13.85
09-05-2018	1306.85	965.11	1102.07	1313.85	967.39	1106.26	06-05-2018	16.44	12.12	13.84
10-05-2018	1314.80	969.27	1106.80	1318.80	976.84	1106.74	07-05-2018	16.60	12.24	13.97
11-05-2018	1324.80	978.23	1110.45	1324.35	976.05	1106.76	08-05-2018	16.76	12.35	14.04
14-05-2018	1320.70	972.30	1101.86	1319.85	970.88	1101.28	09-05-2018	16.65	12.25	13.89
15-05-2018	1310.05	966.42	1098.35	1295.00	961.15	1094.15	10-05-2018	16.41	12.12	13.77
16-05-2018	1291.75	958.61	1093.60	1291.25	956.69	1094.72	11-05-2018	16.26	12.07	13.79
17-05-2018	1288.85	952.07	1090.50	1289.50	955.91	1093.37	12-05-2018	16.39	12.14	13.90
18-05-2018	1287.20	954.20	1091.16	1288.30	957.21	1096.21	13-05-2018	16.39	12.16	13.92
21-05-2018	1285.85	959.24	1095.67	1288.35	959.43	1095.10	14-05-2018	16.34	12.19	13.91
22-05-2018	1293.90	961.24	1095.29	1293.05	961.51	1097.02	15-05-2018	16.58	12.32	14.04
23-05-2018	1294.00	967.91	1102.88	1289.00	965.07	1100.42	16-05-2018	16.53	12.38	14.11
24-05-2018	1296.35	967.73	1104.88	1304.85	974.59	1112.52	17-05-2018	16.51	12.32	14.09
25-05-2018	1303.95	976.53	1113.70	1303.50	978.41	1118.27	18-05-2018	16.67	12.49	14.24

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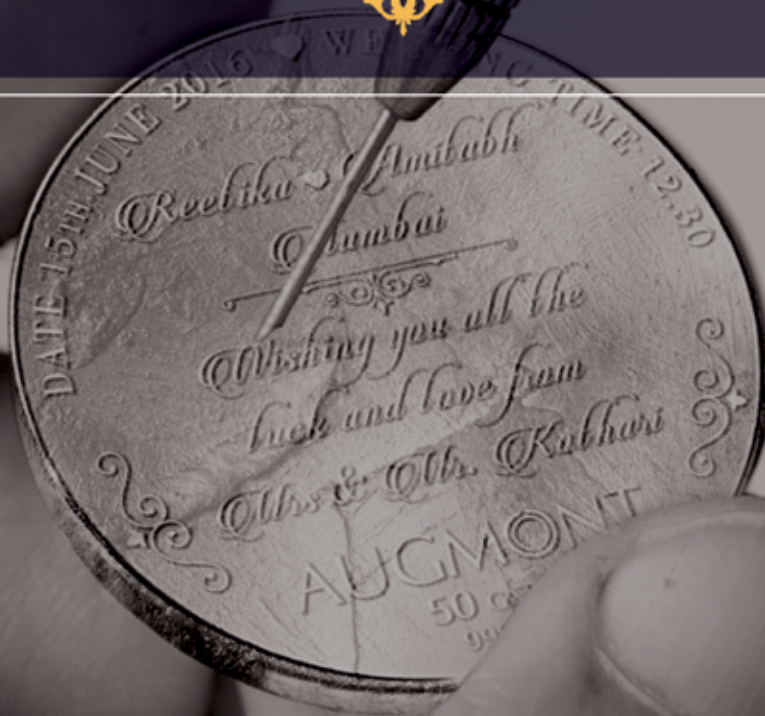
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