Issue 01 May 2021

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EDITORIAL

Dear Readers,

Greetings and best wishes!

Bullion World is a new initiative. It aims at capturing the essence of the global bullion ecosystem and guiding readers with opinions, insights and information on market, industry, technology and regulation. While content on India would be at the core of Bullion World, equal importance would be given to bullion markets of Europe, Americas and Asia Pacific. An initiative of this nature is not conceivable without the support of the partners who have chosen to use the medium to promote their brands. A big thank you to all our partners.

In the inaugural edition, leading experts from across India and rest of the world have contributed on a range of topics. I express my gratitude to each one of the experts for their time and efforts. Hope you like both the chosen subjects and the author's perspective. Should you have a different perspective, do write to us. As a responsible media, it is our duty to provide different perspective maintaining neutrality and transparency. Over a period, we aim to make Bullion World, the go-to place to express an opinion, to articulate a preposition or to engage in a debate. We seek your active engagement in this. Please reach out to us at gsv@eventellglobal.com

Coming to the current market situation, the developed economies have been showing signs of rapid economic growth (going by advance estimates and projections), with the USA recording an impressive 6.4% growth in Q1 of 2021. China's GDP grew by an astounding 18.3%, while Japan's real GDP grew by 6% in Q1 of 2021. Usually, gold tends to underperform in such periods. The case for silver could be different as industrial demand picks up.

India was also on a steep economic recovery path until the second wave of covid had stalled it. Many leading states in India are under lockdown-partial or full- during one of the most important demand periods (Apr-May) for gold jewellery this year. As a result, the jewellery industry feels that demand could drop by 20 to 30% in the next two to three months. However, the industry is unanimous in their view that gold and gold jewellery would continue to be the most preferred asset of Indians.

This is the time for more humanitarian efforts to support government efforts in tackling covid. I salute the commendable social initiatives of many entrepreneurs of the industry. In particular, I would like to place on record our appreciation for the efforts put in by IBJA and its members and the exemplary leadership of Shri Prithviraj Kothari ji, National President, IBJA in these tough times.

As I close, we seek your support in this initiative. It is a journey worth the while only if we walk together, learn together and grow together.

Best wishes,

Srivatsava Ganapathy
Editor

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Gold Market Integrity: Advancing Global Standards

Ms Sakhila M. Mirza
LBMA

"All 12 IBC;s have been supportive of LBMA's initiative and are proactively working to help the LBMA connect with other relevant organisations."

1: INTRODUCTION

Responsible Sourcing is considered a business-critical function in which all supply chain actors are accountable for advancing sustainable business practices.

Over the last decade, the global gold market has made significant efforts to address supply chain risks. Several parties within the market have made improvements based on lessons learnt, yet Responsible Sourcing standards can still be improved. In particular, LBMA has identified three strategic priorities, as explained below, that require particular focus to mitigate threats to the industry: (a) the responsible sourcing of recycled gold; (b) the elimination of cash transactions; and (c) the provision of support for responsible Artisanal and Small-Scale Mining (ASM).

In November 2020, LBMA wrote to major International Bullion Centres (IBCs) with Recommendations that would help to advance global standards for responsible sourcing. Since sending the initial letter all 12 IBC;s have been supportive of LBMA's initiative and are proactively working to help the LBMA connect with other relevant organisations.

LBMA defined IBCs as jurisdictions considered either a transit or trading hub for recycled gold, and jurisdictions that operate important market infrastructure for bullion trading activities. Therefore, alongside India, LBMA identified the following jurisdictions as IBCs: China; Hong Kong SAR; Singapore; Japan; Russia; South Africa, Switzerland, Turkey; UAE; UK; and the US.

This article summarises the main threats to the gold supply chain, outlines the Recommendations sent to IBCs, and considers why international collaboration is necessary.

2: THREATS TO THE INDUSTRY

Not all IBCs operate to the same Responsible Sourcing standards and inconsistencies could have a significant impact on the international market, should they remain unaddressed.

Responsible Sourcing vulnerabilities can, and will, continue to cause industry fractures and loss of trust across the supply chain, regulatory bodies and the general public. It is therefore important to understand the provenance in order to safeguard that trust. However, doing so can come at a cost, with some supply chain actors disengaging from high-risk sources. In other cases, there is also potential for the provenance to become doubtful, especially in relation to recycled gold.

This means the following key areas require urgent action from IBCs to mitigate threats to the industry:

> “In 2018, 55% of gold processed by LBMA Good Delivery refiners was recycled compared to about 44% Large-Scale Mining (LSM).”

RECYCLED GOLD

In 2018, 55% of gold processed by LBMA Good Delivery refiners was recycled compared to about 44% Large-Scale Mining (LSM). LBMA recognises the importance of recycling for companies in addressing environmental concerns. However, recycled gold’s traceability can be problematic as its provenance can be lost from one supplier to the next with due diligence standards diverging between counterparties.

CASH TRANSACTIONS

Although several regulatory regimes prohibit the use of cash for high-value transactions, it remains the primary method of payment in many parts of the world. It is therefore vital that jurisdictions have robust anti-money laundering regulations with enforceable oversight powers. This would also help to reduce the risks of smuggling for hand-carried bullion.

Sourcing from ASM

In 2018, just 1% of LBMA Good Delivery refiners’ production was sourced from ASM. LBMA recognises the importance of engaging and maintaining relationships with ASM suppliers. This sector provides a livelihood for over 40.5 million people across the world therefore formalising this sector, as opposed to disengagement, will help ASM gold enter supply chains legitimately.

3: INTERNATIONAL BULLION CENTRE RECOMMENDATIONS

In order to instil trust in the market, LBMA has published Recommendations that support the Organisation for Economic Co-operation and Development (OECD) Due Diligence Guidance framework and also recognises key findings from the Financial Action Task Force (FATF).

Responsible Sourcing is fundamental to all parties within the supply chain, who can all benefit from the assurance that bullion traded throughout the IBCs is responsibly sourced and aligned to international

> “In 2018, just 1% of LBMA Good Delivery refiners’ production was sourced from ASM. LBMA recognises the importance of engaging and maintaining relationships with ASM suppliers.”

requirements. The breadth of the activities undertaken within IBCs and the involvement of international counterparties mean IBCs can be vulnerable to responsible sourcing risks.

To help address vulnerabilities to risk, LBMA is keen to work with IBCs to implement or demonstrate consistency with the Recommendations. Each Recommendation represents the overarching objective of integrity, trust and confidence.

1. Effective scrutiny and verification of local and regional supply chains;
2. Effective regulation of local and regional supply chains;
3. Effective enforcement powers;
4. Effective co-operation with local, regional and international organisations;
5. Develop ASM specific guidance to support and further legitimise responsible ASM supply.

All five Recommendations are supplemented by a number of requirements to assist IBCs’ practical interpretation of the measures set out above.

[1]OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas, version 3, April 2016 (OECD)

ABOUT LBMA

LBMA is uniquely positioned to collaborate with IBCs. This is partially due to the LBMA Good Delivery List (GDL). LBMA sets the requirements to which refiners must adhere in order to qualify as a GDL refiner and sell gold to the Loco London market – the largest financial marketplace for precious metals.

The GDL is also relied upon by most major international markets, licensed and recognised by exchanges, central banks and traders worldwide. LBMA is also the vice chair of the OECD Multi-Stakeholder Group, focused on the development of the OECD Due Diligence Guidance and the supporting Gold Annex. All of this means that LBMA is well placed to collaborate and engage with IBCs, to advance standards that ultimately aim to address the integrity of the precious metals market.

LBMA Responsible Sourcing Programme

A fundamental aspect of the GDL is that Good Delivery bullion can be trusted to be responsibly sourced. This chain of integrity is vital across the bullion market and has been the foundation for the continuous development of the Responsible Sourcing Programme (RSP). LBMA's RSP was set up in 2012 to consolidate, strengthen, and formalise existing standards of refiners' due diligence. The Programme is based on the OECD Guidance, that provides detailed recommendations to help companies define their sourcing standards, as well as sets the five-step due diligence framework.

LBMA makes these OECD requirements mandatory for all GDL refiners who must be audited annually against the OECD Guidance by approved independent auditors. The refiners are then required to report the audit findings publicly. Unlike any other industry programmes, the RSP is a commercial necessity for any major refiner and LBMA can ultimately remove a refiner from the GDL if the standards are not met. Compliance with the stringent RSP standards is therefore essential.

WIDER ECOSYSTEM

Global effort, amongst all the value chain actors, national authorities as well as law enforcement agencies, is required to help address the threats. Industry Programmes, whilst necessary, have limitations in their legal authority, scope, applicability and enforcement resources. That is why it is important to collaborate with the various actors in the IBCs that make up the Responsible Sourcing eco-system.

Industry Due Diligence Programmes: These Programmes seek to raise standards throughout the supply chain (mining, refining or retailing level) and can be enforced if any non-conformances are identified.

National Authorities: Through regulatory change and law enforcement, national authorities provide the ultimate sanctions across the supply chain.

Downstream Actors: Banks, electronics and jewellery companies can continue to collaborate with their suppliers to ensure that material is sourced and processed responsibly from beginning to end.

Other Stakeholders: By identifying and escalating unique issues through investigative research, other stakeholders provide important support and feedback throughout the supply chain.

5: COLLABORATION

It is fundamental that the wider eco-system operates as one. This will help to mitigate threats to the industry while implementing standards consistently throughout global supply chains. It will also mitigate the risk of re-routing supply to IBCs that might have different requirements.

A global effort is required to continue addressing the outstanding challenges and risks. LBMA is committed to working with all legitimate stakeholders but needs full engagement and co-operation as its own standards can only reach so far.

For more information on the LBMA Responsible Sourcing Programme, please see report, RS Report or visit our website at lbma.org.uk .

Ms Sakhila Mirza, Executive Board Director and General Counsel

In her role as General Counsel of LBMA and also as Executive Director of the LBMA Board, Sakhila Mirza works closely with the CEO on the strategic direction of the LBMA. Her role involves addressing all the legal and regulatory matters, the Responsible Sourcing Programme, market development initiatives, and lobbying efforts on behalf of members.

Sakhila read law at the London School of Economics and went onto qualify as a solicitor.

Reforms in Gold Sector in India- Where are we headed?

Mr Harish Chopra[1]
India Gold Policy Centre at the Indian Institute of Management, (IGPC@IIMA)

INDIA GOLD CONSUMPTION AND THE NEED OF REFORMS

India ranks number two globally in terms of its annual gold demand, only next to China. Despite being one of the top consumers of gold, India lacks a robust trading platform, standardization in the quality of gold, lack of institutional participants, and an efficient price discovery mechanism. That is where the need for reforms in the bullion industry originates.

Gold is yet to find its place in the list of assets that RBI measures to evaluate household investment and debt. With an estimated 12% of household savings in the form of gold, financialization of the gold is the key and developing infrastructure like bullion banking, standardisation and spot exchange will be the tools to achieve that. The government recognizes this as supported by some of the recent initiatives taken in this direction.

RECENT REFORMS AND ITS IMPACT ON BULLION INDUSTRY

Setting up of an International Bullion Exchange – This is perhaps one of the biggest reforms in the bullion market in India after liberalisation of gold imports in 1997. In the Budget 2020, Hon'ble Finance Minister announced setting up an International Bullion Exchange (IBE) at the IFSC in GIFT City, Gujarat. It was followed by Government of India notifying the bullion spot delivery contract and bullion depository receipt with underlying bullion as financial Products and the related services as financial services under the IFSCA Act, 2019. In April 2020, appointment of the International Financial Services Centres Authority (IFSCA) to regulate the International Bullion Exchange at GIFT City set the ball rolling.

IBE will facilitate creating a world class market infrastructure that would connect India to the rest of the world,

> "With an estimated 12% of household savings in the form of gold, financialization of the gold is the key and developing infrastructure like bullion banking, standardisation and spot exchange will be the tools to achieve that."

[1]Chartered Accountant, a Senior Policy Consultant with India Gold Policy Centre @ IIM, Ahmedabad, and former banker with a leading international bullion bank for ~15 years. The opinions expressed in this document are that of the author and may not reflect the views of the institution.

while making sure the governance, technological prowess are the key pillars on which it is built. IBE will help integrating India's gold trading with the international gold community making it a trading and vaulting hub. It will also facilitate standardization of gold inflows into India and creating a robust regulatory scaffolding for bullion trade. IBE shall strike an equilibrium to reduce the market inefficiencies that exist in the Indian bullion trade by creating a transparent platform for bullion trading.

It is envisaged to achieve efficient price discovery, quality, and services, at par with international standards. The Indian companies shall be greatly benefitted with the setting up of their foreign subsidiaries in the deemed foreign territory which

shall facilitate import and export between the Indian entity and their foreign subsidiary. The IBE shall be seen as an initiative to bring transparency in the Indian precious metals trade by the FATF in its 2021 review.

Development of Domestic Bullion Exchanges – Budget 2021 paved the way towards formation of domestic gold spot exchanges and appointed SEBI as the regulator for the same. The domestic bullion exchanges (DBE) will take over the transactions once the gold traded at International Bullion Exchange (IBE) is imported into the domestic market. In a way, it will complement the trading operations at the IBE. In addition, DBE will also facilitate with a channel to sell recycled gold.

Unallocated accounts – In March 2021, IFSCA allowed Indian Banking Units (IBUs) and Foreign Banking Units (FBUs) operating out of IFSC to open unallocated bullion accounts with authorized members of the London Precious Metal Clearing Limited. This will enable the participants to carry out derivative transactions and will be instrumental to provide liquidity at IBE by facilitating trading, hedging and swapping. It will also help the Indian Banking Units to structure their gold lending and savings products. It will also help in extending the financing facilities to refiners and traders.

Refining – With a view to promote refining of gold within India, the Bureau of India Standards (BIS) notified the India Good Delivery norms for bullion. Now it is up to the market players to develop a mechanism that facilitates greater acceptance of Indian refined gold. The initiatives by India's domestic Exchanges viz. National Stock Exchange, BSE and Multi Commodity Exchange of on-boarding local refiners are worth mentioning. With more refiners getting themselves prepared to comply with OECD guidelines on responsible sourcing, the domestic refinery landscape looks promising.

Taxation – Custom duty on imported gold bars and dore was raised in the Budget 2020 to 12.875% and 12.21% respectively. The same has been rationalized in the recent Budget 2021. The total duty now stands at 10.75% and 10.09% on gold bars and dore respectively after the inclusion of Cess.

The lower import duty will not only support demand but also reduce unofficial imports. More importantly, it will support organized trade by making unofficial trading lesser attractive.

> "The IBE shall be seen as an initiative to bring transparency in the Indian precious metals trade by the FATF in its 2021 review."

> "With more refiners getting themselves prepared to comply with OECD guidelines on responsible sourcing, the domestic refinery landscape looks promising."

We feel it is just a start in the right direction.

Hallmarking - On 15th January 2020, Department of Consumer Affairs issued a gazette mandating that effective 15th January 2021 all jewellery sold in the country must be hallmarked. Due to COVID pandemic, the deadline has been extended to 1st June 2021. Jewellers will only be allowed to sell 14, 18 and 22 carats of gold jewellery. Any violations in compliance with the hallmarking norms would attract penalty. Hallmarking will protect the consumers and create a level playing field for the jewellers who were already complying with the hallmarking provisions. Mandatory hallmarking will help in bringing standardization in the quality of gold and create an atmosphere of trust which we feel is very critical for the development and sustainability of bullion industry. From what we understand this is going to be technologically intensive and fool-proof mechanism is being developed to prevent any fraudulent hallmarking.

Recycling and GMS - On 9th February 2021, The Department of Economic Affairs, Ministry of Finance proposed various amendments in the Gold Monetization Scheme and Gold Metal Loan through an office memorandum. It will be followed by RBI, SEBI and IFSCA issuing necessary notifications and master directions. The proposed amendments put a lot of emphasis on integrating Jewellers into the value chain for collection of deposits. The amendments also provide for repayment of GML in physical gold, including Indian Good delivery gold. All the PSU banks participating in GMS are now permitted to offer GML, which will widen the reach of GML. Earlier, only nominated banks authorized to import gold could offer GML. The option of drawing gold collected by Jewellers under GMS for their own consumption as a disbursement under GML, within the authorized GML limits is under examination. If implemented with adequate safeguards, it has a potential to eliminate processes like refining of gold, transportation, and vaulting. That being said, there are various components that require tweak to make it a success.

Mining – The Mines and Minerals (Development and Regulation) Amendment (MMRDA) Bill, 2021, passed recently on 22nd March 2021, will help unleash India's vast untapped mining reserves. The bill can help in unlocking 500 tons of estimated gold reserves in India. It is however debatable if the exploration was just awaiting the parliament to pass the bill or there are some other reasons, which needs to be examined. There is clarity required for the status of deposits that were identified after getting reconnaissance and exploration permits, would those companies be willing to put these on auction, how are they going to be remunerated?

"The option of drawing gold collected by Jewellers under GMS for their own consumption as a disbursement under GML, within the authorized GML limits is under examination."

CONCLUSION

India has certainly taken some giant steps in the past 2 to 3 years towards reforming bullion markets in India. The development of Gold spot exchanges will resolve the issue of lack of Institutional participation which in itself will resolve various other issue such as unorganized trade, lack of products, transparency, standardization and recycling. Then there are specific reforms targeted towards specific issues. Indirect reforms like focus on developing a digital economy, welfare schemes for the rural population, financial inclusion are all the recipes of developing an unorganized market. India's reform process in the bullion industry has been consultative where inputs from the stakeholders are taken before a reform is rolled out. It causes delay at times, however, ensures least disruptions when implemented. As it is often said, a reform is only as good as its implementation. That is one area we feel, more efforts would be required to take the maximum benefit of all the good work done.

Harish Chopra

Harish Chopra is currently a Senior Policy Consultant in India Gold Policy Centre at the Indian Institute of Management, Ahmedabad (IGPC@IIMA). Harish has a total work experience of 29 years that includes 21 years in banking and financial services in the bullion banking and retail banking space. Prior to his appointment at the IGPC@IIMA, he was working with The Bank of Nova Scotia, a leading international bullion bank, completing over 15 years in 2 tenures. Besides, he handled senior roles heading finance functions at leading Indian Corporates, including Chief Financial Officer with listed hospitality chain.

Harish is a 1992 batch Chartered Accountant and has also received Certification in Treasury & Forex Management from the Institute of Chartered Financial Analysts of India (in collaboration with the Institute of Certified Treasury Managers, US) in the year 2002. Harish is an avid follower of developments in the bullion markets. His other areas of specialization include Business Strategy & Management, Accounting & Taxation and Risk Management. Harish has run Delhi Half Marathon for the past 3 years. In his spare time, he enjoys listening to music or getting behind a camera clicking wildlife and nature.

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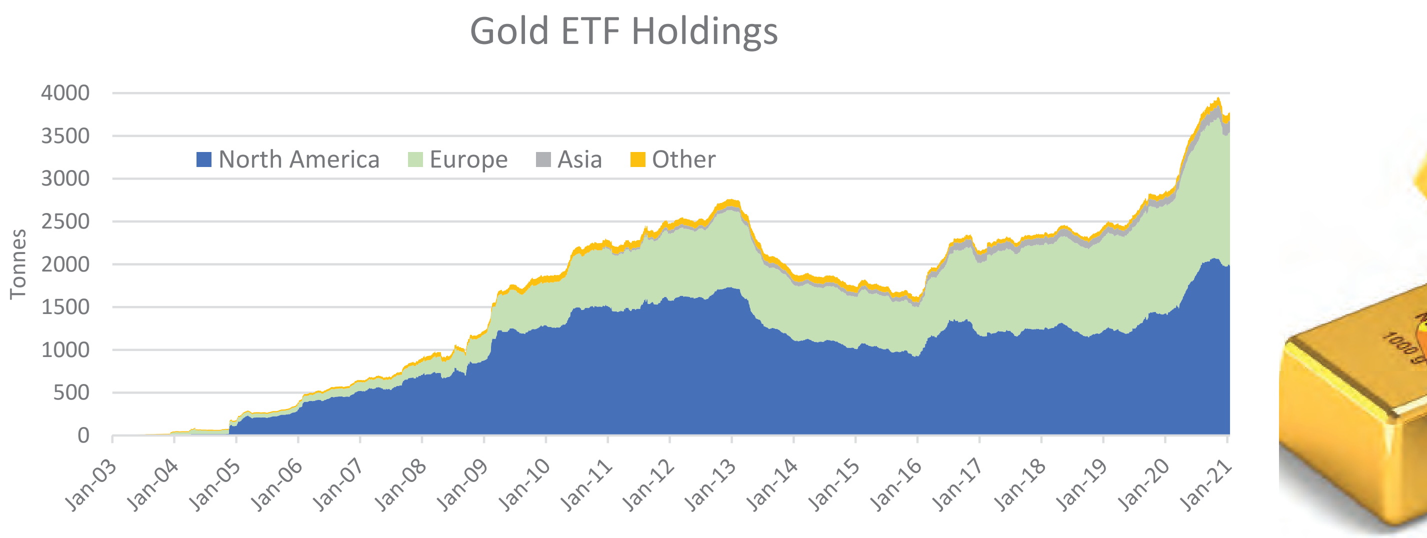
Gold ETFs registered record net inflows in 2020

Ms Saida Litosh
Refinitiv

Investment in gold exchange traded funds (ETFs) surged to a new peak in 2020. After 12 consecutive months of net inflows from November 2019, and with investors adding more than 1,000 tonnes of gold between January and October 2020, global ETF holdings reached an all-time high of over 3,960 tonnes by the second week of November. To put this into context, net inflows during the first ten months of 2020 were over 65% higher than the previous record in 2009, when annual buying reached 644 tonnes.

The largest increase was registered by North American-listed funds, with holdings rising by 45% or nearly 640 tonnes (US$36.4 billion) from the end-2019 level, accounting for nearly two-thirds of global net inflows over that period. European funds added 346 tonnes (US$19.7 billion) over the ten-month period, representing a 27% increase from the level seen at the end of 2019. Holdings in Asia and other regions grew by 57 tonnes (US$3.2 billion) and 24 tonnes (US$1.4 billion), respectively.

"Net inflows during the first ten months of 2020 were over 65% higher than the previous record in 2009, when annual buying reached 644 tonnes."

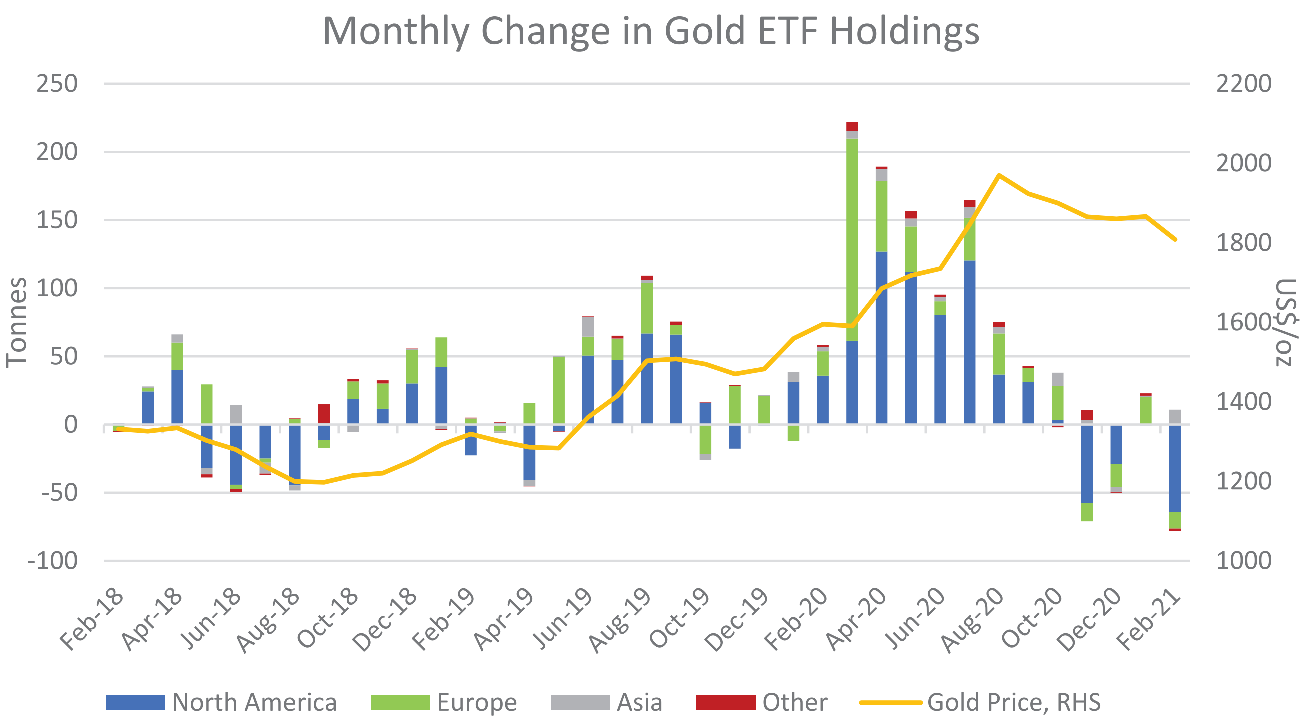


Source: Various ETF sources; Metals Research, Refinitiv, an LSEG business

> "Total net inflows for the year were estimated at under 900 tonnes and valued at US$51 billion, which represented the highest ever annual gain recorded since the inception of gold ETFs in 2003."

The surge was driven by the COVID-19 outbreak, which saw the global economy plunge into the worst downturn since the Great Depression. This prompted governments to announce unprecedented stimulus measures, pushing interest rates into more negative territories, all of which boosted gold's safe-haven appeal. Furthermore, the logistical issues, caused by the virus outbreak, triggered the disconnect between the COMEX gold futures market and the OTC market in London. This resulted in higher premiums on futures contracts compared to the OTC price and increased cost of ownership, thereby encouraging some investors to switch to OTC holdings and ETF buying.

They were also some 39% higher than the previous yearly record in 2009. By the end of 2020, global ETF holdings stood at 3,740 tonnes, approximately US$213 billion in assets under management; and while down from the record level seen in November, they were still over 30% above the end-2019 level. Looking at this year, while ETF buying resumed at a small scale in January, net outflows witnessed over the next few weeks pushed global holdings to a near ten-month low of around 3,440 tonnes by mid-March, which represented net outflows of nearly 160 tonnes year-to-date. While it may still be too early to make conclusions, this is clearly not the same start to the year that we



Source: Various ETFs; Metals Research, Refinitiv, an LSEG business

Having said that, the growing optimism around the approval of COVID-19 vaccines and prospects for a long-awaited return to normal saw some investors reduce their gold exposure towards the end of the year. After 12 months of uninterrupted gains, gold ETFs experienced selling in the final two months of 2020, equivalent to just under 170 tonnes of gold. Net outflows were driven primarily by selling in Europe and North America, where investors reduced their holdings by 90 tonnes and 86 tonnes, respectively; while holdings in other regions increased slightly, by just under seven tonnes.

experienced in 2020, and it remains dubious whether gold ETFs this year would be able to get anywhere close to the spectacular performance witnessed last year.

Saida Litosh has been covering the metals markets since she joined the GFMS precious metals research team in 2011, focusing on investment and fabrication demand in Europe and playing a key role in covering precious metals research in Russia. In 2016, Saida joined Thomson Reuters Oil Research team, where her primary focus was analysis of crude, fuel oil and key refined product flows for Europe, Russia and Africa. She rejoined Refinitiv Metals team in late 2017 to head up precious metals demand research for Europe, in addition to leading gold analysis and economic forecasts. Saida holds a Master's degree in Economics from the London School of Economics.

The Story of Exchange-Traded Products

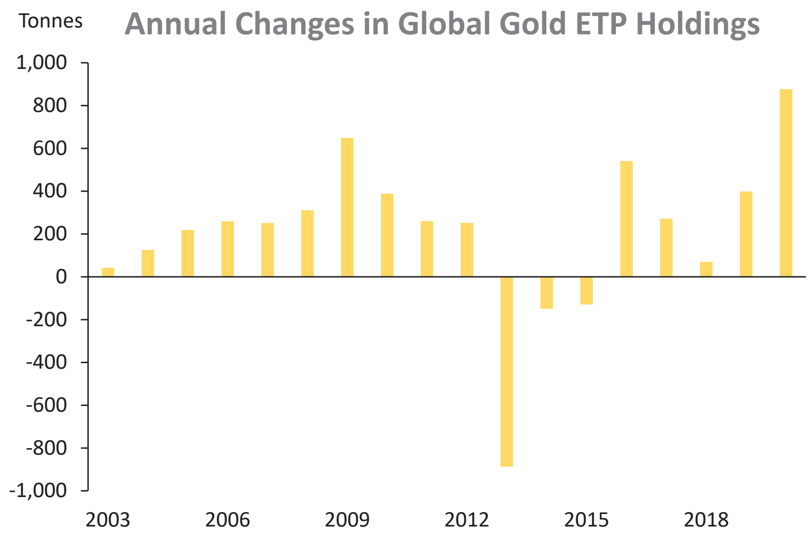
Gold exchange-traded products (ETPs) are securities listed on stock exchanges that track gold prices through holding physical, futures or over-the-counter (OTC) positions. By far the most popular and liquid ETPs are those backed by physical gold. For this reason, the following discussion focuses on products belonging to this category. Key advantages of ETPs include safety, transparency, liquidity and ease of access. In addition, ETPs enable those institutional investors whose mandate precludes them from holding futures or physical commodities to gain exposure to the gold price.

At the time of writing, there are over 80 gold ETPs listed in more than 10 countries. The first physical backed ETP was launched in Australia in 2003. From that point until 2012, gold ETPs enjoyed uninterrupted annual growth on the back of the previous bull market in gold.

Mr Philip Newman
Metals Focus

“With a record annual increase of 877t or 31%, collective gold ETP holdings hit a series of fresh all-time highs during 2020 before peaking at 3,916t in November. If measured in value terms, 2020’s growth was even more pronounced, with the value of combined ETPs at its peak exceeding $250bn for the first time ever.”

Following sizeable outflows over 2013-15, gold ETPs gained traction again before investment inflows accelerated during 2020. With a record annual increase of 877t or 31%, collective gold ETP holdings hit a series of fresh all-time highs during 2020 before peaking at 3,916t in November. If measured in value terms, 2020’s growth was even more pronounced, with the value of combined ETPs at its peak exceeding $250bn for the first time ever. The strength of gold ETPs, especially at a time when gold demand in other areas was severely affected by the COVID-19 crisis, was the principal driver of the gold rally to new all-time highs during 2020.



Source: World Gold Council

holdings with reporting requirements accounted for almost 50% of SPDR Gold Share's outstanding shares, which is the world's biggest gold ETP, accounting for 31% of global ETP holdings at that time. This compares to 26% for iShares Silver Trust, the biggest silver ETP with a market share of 52%. In contrast to professional investors, many retail investors often see falling prices as an opportunity to buy, but profit taking from such players can be restrained. These factors help to explain an explosion of demand for gold bars and coins in 2013 at a time when global gold ETPs suffered an investor exodus.

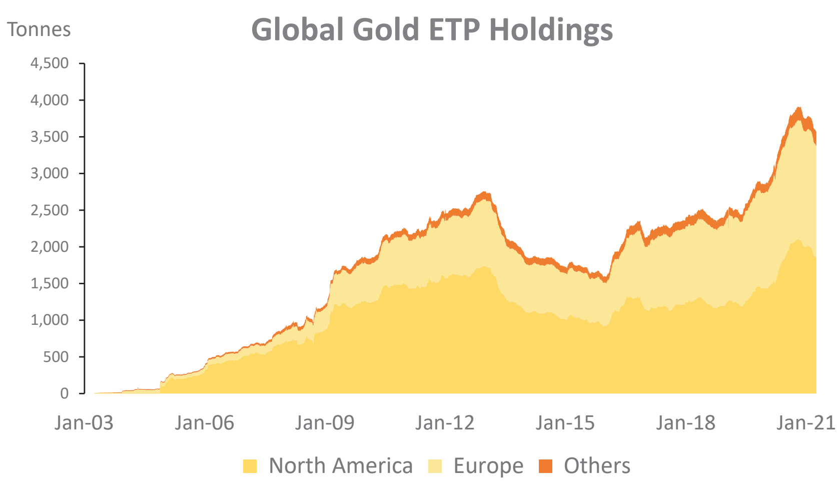
Looking at fluctuations in gold ETP holdings, the yellow metal's appeal as a haven asset during economic and financial turmoil was the primary driver behind the above investment inflows. This also explains why 2009 (in the aftermath of the great financial crisis) and 2020 (amid the worst pandemic this century) witnessed the highest demand for gold ETPs.

Leaving aside a flight to quality assets during the crisis, policy-makers' reactions to each challenge were also important in encouraging investor interest in gold ETPs. In particular, monetary authorities worldwide have cut rates, and many launched unprecedented levels of massive quantitative easing. Lower short-term interest rates and yields typically benefit gold investment by limiting the opportunity cost of holding such zero-yielding assets. The crisis also resulted in an exceptional wave of fiscal policy accommodation in most major markets. In 2020, all this has been amplified by another dynamic; bond yields were already low prior to the COVID-19 crisis and policy action has put them under even further pressure. The possibility of inflationary pressures ahead as a result of this is another issue. All these factors encouraged institutional investors to raise their exposure to gold during 2020. This was in sharp to 2013-15 when gold ETPs suffered significant outflows, as the macroeconomic backdrop turned unfavourable to gold investment. Back then, expectations of faster than previously expected tapering and an end to quantitative easing (QE) in the US, and its divergence from that of most other major reserve currencies had raised the opportunity cost of carrying gold. Strong equities and growing optimism about the prospects of the global economy also reduced gold's appeal. Low inflation, particularly in the US, was another negative factor. In 2013 alone, 887t was liquidated in gold ETPs, which was the main explanation behind the steep price pull-back that year. Even though such rotations out of gold slowed thereafter, a lack of conviction towards the yellow metal saw such ETP redemptions persist over much of 2014-15, resulting in prolonged weakness in the gold price over that period.

Another important feature worth highlighting is that institutional investors account for a significantly higher portion of gold ETPs than that seen in silver. To illustrate, at end-2020, institutional

> "At end-2020, institutional holdings with reporting requirements accounted for almost 50% of SPDR Gold Share's outstanding shares, which is the world's biggest gold ETP, accounting for 31% of global ETP holdings at that time. This compares to 26% for iShares Silver Trust, the biggest silver ETP with a market share of 52%."

On a regional basis, global holdings were initially dominated by North American funds, with their contribution at times exceeding 80%. With increasing listings of gold ETPs in Europe since the late 2000s, there has been a massive inflows into European funds, which now make up for over 40% of the global total. Moreover, due to the persistence of monetary loosening and deepening negative interest rates, growth in European ETPs in recent years (until the onset of the COVID crisis) was more robust than those listed in North America. Finally, thanks to the ongoing liberation of financial markets, ETPs have been also introduced in some emerging markets, notably in China and India, though volumes in absolute terms remain rather modest in many of these locations.



Source: World Gold Council

MCX creates history with delivery of 190 kg Indian refined gold

Multi Commodity Exchange of India Ltd. (MCX), the country's largest commodity exchange, recently empanelled two domestic refineries to the good delivery list for the Gold Mini contracts, thereby taking a historic step by enabling delivery of domestically refined gold on its platform.

MCX HAS EMPANELLED TWO INDIAN REFINERIES BASED IN UTTARAKHAND TO DELIVER DOMESTICALLY-REFINED GOLD ON ITS PLATFORM. PLEASE TAKE US THROUGH THE VISION BEHIND THIS MOVE AS WELL AS THE PROCESS LEADING UP TO EMPANELMENT. CAN WE SEE THIS STEP IN THE CONTEXT OF AATMANIRBHAR BHARAT MISSION?

As the leading Exchange for bullion, it is incumbent upon us to constantly strive to benefit India's bullion and jewellery industry. Our benchmark gold and silver contracts not only act as a domestic price reference for India, but are also used by value-chain participants for risk management and delivery. MCX has seen 123 tons of gold and 3847 tons of silver delivered via the Exchange mechanism.

Significantly, MCX saw delivery of 190 kg in the form of locally refined Gold 100 gram bars in the MCX Gold Mini (100 gram) April contract. Notably, the April expiry marks the first delivery cycle for domestically refined Gold from empaneled of domestic refiners.
In pursuit of the Atmanirbhar Bharat mission, MCX had earlier issued comprehensive MCX Good Delivery Norms for BIS Standard Gold/ Silver, paving the way for domestic bullion to be accepted as good delivery on the exchange platform. Prior to this, only bullion bars of London Bullion Market Association (LBMA) accredited refiners along with Emirates Gold were deliverable on the exchange.
Currently, two domestic refiners – M/s M D Overseas Pvt. Ltd (Rudrapur, Uttrakhand) and M/s Kundan Care Products Ltd. (Haridwar, Uttarakhand) – have been empaneled to the MCX good delivery list for Gold Mini (100 grams) derivative contracts.

This move will also drive market efficiencies by reducing price disparities and further integrate exchange eco-system with domestic industry by bringing more locally available/ recycled gold of exchange grade. Further, local refiners will be able to derive benefits by partaking in the efficient transparent price discovery process. This will also deepen the open interest and make the order books even more robust and liquid. This will further facilitate spot-futures integration, enable expansion of organised bullion trade and enhance self-reliance as well as transparency.

MCX Good Delivery Norms are kept at par with international standards, covering basic eligibility criteria, technical qualification audits, financial audits, continuous compliance requirements along with responsible sourcing guidelines that are aligned with the OECD. It also comprehends to BIS India Good Delivery Standard, IS: 17278.

The applicant refiners were put through stringent audits and tests as part of the screening process defined in the aforesaid good delivery norms. From the first set of applications, the refiners who cleared the Exchange-set criteria and met all conditions of the financial as well as Technical Qualification audits, were added to the good delivery list for the Gold Mini (100 gram) futures and options contracts, as per the circular issued on February 4, 2021.

As we await greater institutional participation in the domestic bullion industry, as well as commodity derivatives, this will add to the suitability of our contracts to enable the same.

Mr Shivanshu Mehta
MCX

CAN WE EXPECT FURTHER ADDITION OF DOMESTIC REFINERIES TO THE MCX GOOD DELIVERY LIST?

MCX is in receipt of applications from most leading domestic refiners. However, the refiners who meet basic eligibility criteria will first undergo a screening process of a financial as well as a technical nature, including audits and their refining and assaying ability. The ones that meet such conditions to the satisfaction of the MCX Bullion Refiners Empanelment Committee will be recommended for addition to the good delivery list from time to time. This is subject to their meeting the continuous compliance requirements on an ongoing basis.

WHAT CONTRIBUTION IS BEEN MADE BY MCX TO FACILITATE THE EXPANSION OF THE ORGANIZED BULLION SECTOR?

Apart from the good delivery list expansion, MCX has also taken the lead in product design innovation to create organised ways to invest in gold and silver as an asset class.

Our recent product innovation, the MCX Gold Petal contract, is the world's first-ever and only deliverable one-gram gold contract. It is built on the corner stone of systematic investment, electronic accumulation, quality assurance and ease of delivery, backed by deep and liquid order books.

This product captures the imagination of a fast-emerging new-age retail clientele, with an evolving view on gold as an investment asset. It is designed to cater to the organized retail investor demand by providing a Systematic Investment Plan (SIP) type of flexibility. The coins can be held and accumulated in the electronic holding format, enabled via our COMRIS system. This newly-designed contract saw successful delivery of about 36.4 kgs (36,438 coins) since its launch in October 2019. Since each 999-purity coin comes with an individual assay certificate, quality assurance is a given. The key advantages are the convenience of transaction and the liquidity of the Exchange platform. The making charge of Rs 100 per coin, being separate from the traded price and being known upfront, adds fairness and transparency to the pricing.

Similarly, we have launched deliverable silver contracts with silver 1 kg bar as the delivery unit. Since their launch in February last year, more than 41 tons of silver bars of one kg have been delivered via these contracts. This, again, is a step towards creating products for organised retail demand.

Our gold options on futures provide retail jewellers an excellent method to protect their margins from the downside price risk. This instrument creates efficient use of capital with a one-time payment of premium.

Our recent launch of the Indices segment was accepted widely by the market. The BULLDEX, an excess returns precious metals index that includes gold and silver futures in the ratio of about two is to one, has seen significant turnover and participation from all sections of market participants.

The BULLDEX fills the need gap of a portfolio-based product for investors by providing a sectoral exposure for diversification.

Mr. Shivanshu Mehta is Head-Bullion at MCX. He holds the key portfolio of the precious metals business at India's No. 1 commodity Exchange, MCX. MCX Gold and Silver derivatives witness a turnover of about 18000 crore per day (FY 2021). He has over 20 years of experience in commodity markets, specifically non-ferrous and precious metals.

He started his career, being hand-picked to the Aditya Birla Group –Group Management Trainee Scheme (batch of 2000); where he spent six years including exposure to cement, sponge iron, viscose staple fibre, carbon black and base metals. He has worked with Grasim and Hindalco- which is a global name in non-ferrous metals; in both Copper and Aluminium divisions.
Before MCX, he has also looked after Base Metals at NCDEX.

Over the years he has enriched market space with new and innovative products. To his recent credit is the successful launch of the world's first-ever deliverable one-gram gold contract- Gold Petal futures. This product has seen record success. Gold Options contracts and Silver 1 kg deliverable contract are other recent successes.
He is known for his strong relationships with the metals, bullion and jewellery industry as also with the financial world.

NSE Gold Mini Options: Redefining Gold Hedging

Mr Nagendra Kumar
NSE

NSE is the World's largest derivatives exchange and the market leader across various asset classes traded in the domestic markets. With this rich experience gained from the other segments, NSE embarked on its journey in commodity derivatives in the month of Oct 2018 by introducing commodity futures contracts on Gold and Silver.

NSE has launched the Gold Mini Options contracts on 8th of June 2020 and the journey can be summarised in a single word 'Innovation". The launch of the Gold options contract on NSE has brought in new dimension to the way Gold is being Hedged. The physically settled options Contract based on the underlying commodity, with a small lot size of 100 grams, offers some unique advantages to the entire value chain participants as well as to the retail investors. These advantages are not just in terms of the cost of trading but also in terms of the trading flexibility offered by the characteristics of Options on goods contracts.

Many of the Jewellers and Bullion players have already optimised their hedging by adding options to their books. This is evident from the healthy Open interest (the number of outstanding contracts awaiting settlement), which is considered as one of the best barometers to assess the performance of a derivative contract. The Open Interest (OI) in gold options contracts on NSE had touched a high of 7041 contracts with an average OI of 3463 contracts and volumes hovering at a monthly average of 46345 contracts, since the commencement of the contract.

> "The Open Interest (OI) in gold options contracts on NSE had touched a high of 7041 contracts with an average OI of 3463 contracts and volumes hovering at a monthly average of 46345 contracts, since the commencement of the contract."

*Max OI for the month

> "NSE has conducted over 118 awareness / knowledge sessions, including the programs conducted jointly with the industry associations."

NSE has witnessed participation in the gold mini options contracts from a wide range of market participants (more than 275 participants have traded in gold mini options). Further in the past 10 months since launch, physical delivery of gold was facilitated in 9 months.

NSE has taken the rollout of the contract seriously and worked on the development of the segment through various initiatives, in a focussed and structured manner. NSE has been engaging with the key industry associations and experts. NSE has conducted over 118 awareness / knowledge sessions, including the programs conducted jointly with the industry associations. Key industry experts have also graced such sessions and shared their valuable experiences and insights during such awareness sessions. Overall NSE has witnessed a strong participation in such sessions from more than 4000 market participants. In addition to these knowledge sessions, NSE also touch based with the value chain participants to guide them and create awareness about the various opportunities offered by the NSE product offerings.

Further, for ensuring constant liquidity and continuous order flow in the contracts, NSE has also introduced an effective Liquidity Enhancement Scheme by appointing market makers who provide continuous two-way quotes. Thus, the Open Interest and the participation speak of the successful acceptance of the product by the market participants.

Further working towards market development and to equip the participants, the international Live spot Gold price 'XAU' was made available in Rupee terms on NSE trading screens. These prices are referred by Banks, Bullion Dealers, Jewellers and other key value chain participants.

The XAU international Price is converted into Indian Price taking the live rupee vs dollar exchangebrate and adding the import duties. This price provides a more relevant reference point for the trading participants and aids them in their decision-making process by providing a live and relevant reference point.

NSE has also taken an important step in line with the Make in India Initiative of Government of India. NSE has been the first exchange in India to roll out NSE Refiner Standards (NRS) for Gold Bars conforming to BIS Standards, thereby enabling the gold bars produced by the domestic refiner's to be deliverable on the Exchange platform, subject to such bars / refiners adhering tothe NRS. The robust and innovative processes set by NRS is a major step towards empowering the Indian refiners and paving the way for developing India as a price setter than a price taker.

> "Further working towards market development and to equip the participants, the international Live spot Gold price 'XAU' was made available in Rupee terms on NSE trading screens."

NSE is an organisation that strives for excellence and believes in understanding the requirements of the market for offering effective and efficient trading instruments.

Creating Awareness has always been an integral part of any product rollout at NSE.

In future as well, NSE shall continue to work towards overall development of the commodity markets in India, deepening the markets and plans bring in more innovative products including the products that appeal to the retail participants which shall help the bullion fraternity. NSE shall continue to engage with the various associations and trade bodies across the country with an objective to reach out to all the key stakeholders to understand the industry ask and meet the needs of the market players and value chain participants by offering more relevant and convenient products.

> "NSE has been the first exchange in India to roll out NSE Refiner Standards (NRS) for Gold Bars conforming to BIS Standards, thereby enabling the gold bars produced by the domestic refiner's to be deliverable on the Exchange platform, subject to such bars / refiners adhering to the NRS."

In his current role, he is responsible for commodities business development at NSE, building business at NSE IFSC and one of the key architects of the NSE IFSC – SGX connect model. As part of his commodity business development role, he is responsible for the entire business expansion and has also implemented NSE Refiner Standard by which local refiners will be empanelled to deliver their bars in the exchange platform. He has over 25 years of experience in the Stock Exchange and Clearing Corporation space.

Structural Transformation in India's Gold Sector

Gold has always been an integral part of the socio-economic-cultural ethos of every Indian. As a commodity, it has always carried with it the tendency of invoking a sense of sentimental attachment, making its consumption and investment in India very different from that of other countries. Despite it's tremendous economic significance, a holistic policy for gold remained unfulfilled. These factors motivated BSE to re-examine India's Gold product framework and it's commitment to formulate a case for building a gold ecosystem.

BSE's commitment fructified on 1 October 2018, when it became India's first universal exchange by adding commodity derivatives to its portfolio. The first product to be introduced was Gold futures (1 KG), and subsequently variety of gold futures contracts and more commodities in the Bullion, Metals, Energy and Agri Ecosystem. BSE offered significantly greater convenience for investors and traders, who are able to trade in all asset categories from a single account, reaping benefits arising from enhanced competition across all categories, thus creating deeper markets with lower spreads and transaction charges.

> "Despite its economic significance, a holistic policy for gold remained unfulfilled. This was what motivated BSE to re-examine India's Gold policy framework and formulate a case for building a gold ecosystem."

Mr Sameer G. Patil
BSE

LAUNCH OF BULLION 'OPTIONS IN GOODS'

With a view to further widen and deepen the commodity derivatives markets, on the suggestion of BSE, framework to introduce 'options on spot' prices of commodities instead of futures prices was permitted. BSE launched the first 'options in goods' contracts on Gold mini and Silver kg based on spot prices from June 1, 2020, and has received extremely positive response from all stakeholders. This led to the deepening and expansion of the bullion derivatives markets by permitting participants to give or take delivery of the underlying without getting into the futures contract at the time of expiry, a move aimed at for the benefit of small and medium sized jewellers, traders, and bullion dealers.

> "By conforming to its own Good Delivery Standard, India could soon emerge as the as the price-setter instead of a price-taker in bullion trade."

Within a short span of time since launch, BSE has averaged INR 406 crores and INR INR 2,610 crores of ADTV in Gold and Gold Mini contracts. In comparision to competetion, these represent a marketshare of 32 percent among all Gold contracts, and 69 percent among Gold mini contracts as on March 2021 – a significant feat in less than one year.

GOOD DELIVERIES

Deliveries constitute an integral part of commodity segment at BSE. BSE became India's first exchange to comply by India Good Delivery Standard on its commodity platform by adoptingn Bureau of Indian standard (BIS) notified standards - IS 17278: 2019, for delivery of gold and silver. This was in line with Prime Minister's vision of "Make in India" and "Atmanirbhar Bharat" of a self-reliant nation. With this step, BSE wished to highlight its commitment and priority towards own Good Delivery Standard, and emerge as the as the price-setter instead of a price-taker in bullion trade.

Till date, BSE has executed seamless delivery if 19 KG of gold across all contracts and in both LBMA and IGDS standards. BSE has also completed six full delivery cycles of Gold mini in 'options in goods' contracts, the only exchange to enable seamless delivery on all months since launch.

AWARENESS INITIATIVES

BSE has held several roadshows, seminars and now webinars to highlight the superior hedging incentive of the 'options in goods' contracts. In terms of costs, market participants can hedge their price risks with only a small upfront premium payment. Comparatively, in case of futures, there is a need to pay initial margin and additional margins based on positions and volatility. Even in terms of other costs, the Commodity Transaction Tax for options in goods is negligible and trading on the BSE platform is free of cost currently.

Apart from these steps BSE has partnerships with India's largest bullion body - the India Bullion and Jewellers Association (IBJA), Gem And Jewellery Council (GJC) and several industry associations in Maharashtra, Bihar and Gujarat to educate the community about hedging and its benefits.

ROADMAP AHEAD

BSE has also played a pivotal role in the success of Sovereign Gold Bonds Scheme of the RBI and the success of Bullion Quanto products in GIFT city. BSE will continue to play a pioneering role in the development of India's Bullion markets by constantly deepening the trading landscape with innovative products, enhanced price discovery, liquidity and transparency.

Shri Sameer G. Patil Shri Sameer heads the Business Development of the exchange including equity & equity derivatives, currency derivatives, commodity derivatives, fixed income, debt and mutual funds. He is instrumental in setting up and responsible for Business Development of INDIA INX at GIFT CITY IFSC. Currently, INDIA INX has more than 90% market share. He is a board member of INDIA INX Global Access (INDIA INXGA). He has about 21 years' of experience in financial sectors like Commodities, Currency Derivatives, Indices etc and has experience in Trading, Hedging Strategies, Product Designing and Business Development. He was associated with MCX since inception for more than a decade as Senior Vice President – PKMT (Precious Metals) & Business Development and K J Investors Services (I) PVT LTD, an affiliate of Cargill Investors Services, Illinois, Chicago, USA as Senior Financial Analyst. He is credited for successful launch of the flagship contracts on MCX the Gold, Silver, WTI Crude Oil and Copper contracts. The Gold Petal contract launched on April 18, 2011 was awarded as the Best Innovative contract of the year by FOW Singapore. He is awarded the "India UAE business Ambassador of the year 2018" at Abu Dhabi and was nominated for the

Why gold should be considered as an ESG compliant asset

It is sometimes easy to forget that gold plays a critically important role in many aspects of our lives. We rely on it every day in our phones and laptops, in medical testing kits such as COVID-19 rapid tests, and wear it as jewellery. Indeed, gold is a unique metal which does not corrode or tarnish over time, meaning it has become intimately linked with legacy and inheritance in society, and why in many cultures around the world, including of course in India, we give and receive gold as ceremonial gifts. And because it is a highly-liquid, a long-term store of value, gold has provided financial security for individuals and countries for millenia.

As the world is changing and more focus from consumers and investors is placed on ESG and the future of our planet, it is important to note that gold should indeed be considered as an ESG compliant asset.

> "The World Gold Council in 2019 launched the Responsible Gold Mining Principles (RGMPs), a framework which includes 51 principles looking at all material environmental, social and governance (ESG) factors associated with gold mining."

Mr Terry Heymann
World Gold Council

Responsible gold miners are committed to responsible mining practices, keeping the environment and local communities front of mind. To clearly define expected best practice, the World Gold Council in 2019 launched the Responsible Gold Mining Principles (RGMPs), a framework which includes 51 principles looking at all material environmental, social and governance (ESG) factors associated with gold mining. This includes water management, climate change, gender diversity, anti-bribery and community engagement, just to name a few. This framework helps consumers, investors, and the downstream gold supply chain have confidence that the gold they buy has been responsibly produced Companies implementing the RGMPs will have to obtain external assurance from a third party, independent assurance provider, with a three-year timeline for full implementation. All World Gold Council

"We believe that the rate of transition means that it is credible that gold mining will reach net-zero by 2050, in alignment with the Paris Accord."

"Last year, we released a report entitled Gold Mining's Contribution to the UN Sustainable Development Goals. The report features over 40 case studies looking at 15 of the 17 SDGs."

Members, 33 of the world's leading gold mining companies, are committed to the RGMPs.
The World Gold Council and its Members have long believed that responsible gold mining can support sustained socio-economic development for the communities and countries that host gold mining operations.

Last year, we released a report entitled Gold Mining's Contribution to the UN Sustainable Development Goals. The report features over 40 case studies looking at 15 of the 17 SDGs. A main focus of the SDGs is partnerships and gold miners can really make a difference to the lives of many when working in effective partnerships with governments and communities and the COVID-19 pandemic has made working in effective partnerships even more important than ever. The gold industry was quick to respond to some of the immediate challenges created by the pandemic including providing medical facilities and PPE supplies and working with host governments to enhance critical health care and education for local communities.

Climate change has come to the forefront as a critical global issue. In recent years, there has been an increased focus on climate change from investors and the broader society on what companies, governments and industries are doing to respond to the challenge. This is to be welcomed.

The gold mining industry is in a good position to decarbonize, including by switching from fossil fuels to renewable energy alternatives. There are many examples where gold miners are taking the lead including the first all-electric mine, a Newmont mine in Ontario Canada, and installation of one of the world's largest solar arrays in Burkina Faso at an IAMGOLD mine which not only supplies the mine but also surrounding communities. We believe that the rate of transition means that it is credible that gold mining will reach net-zero by 2050, in alignment with the Paris Accord.

In addition, investing in gold means that an investment portfolio can reduce its greenhouse gas emissions exposure over time. This is because 99 percent of greenhouse gas emissions occur at mine site, so once gold is mined it virtually has no emissions associated with it. The downstream use of gold - bars, jewellery and for electronic products - does not have a significant impact on gold's overall carbon footprint or global greenhouse gas emissions.

Whilst the gold industry has done a lot to improve its ESG credentials, more work needs to be done and this continues to be an area of focus. However, it is clear that gold is an essential part of our lives, can support sustainable development and is a key enabler of the transition to a lower carbon economy.

Terry Heymann, Chief Financial Officer, World Gold Council

Enabling all-India customer-driven deposits of small holdings of gold into GMS without compromising the principles that govern the GMS, and at no extra cost

Mr Rajesh Khosla

PREAMBLE

Replacing the existing Gold Deposit Scheme of 1999, GMS was launched in October 2015 with the intent to **mobilize gold held by households & institutions in the country and facilitate its use for productive purposes,** and in the long run, to reduce country's reliance on import of gold. Deposits of gold under GMS were to be made at Bank-approved CPTCs / Refineries and treated as an item in safe custody held by the designated Bank. For larger depositors, Banks had the freedom to accept the deposit of gold at their designated branches.

GMS deposits have yet to cross 20 tonnes, mostly from Temples / Religious trusts who deposit direct at Banks. Despite a low threshold of 30 gm gold on deposit, **individual customer participation has been negligible.**

The CPTC – Refinery – Bank multiple handling, time consuming, risk enhancing process is customer non-friendly; consumer outreach has been absent. The participants in the transaction value-chain remained content to focus on their individual issues; reaching out to, understanding and addressing concerns of the individual customer were missing.

Within existing parameters, GMS needed to be revamped into a value-chain user-friendly scheme specifically targeting individual customer holdings. Since retail Customers transact gold (jewellery / coins / bars) predominantly via jewellers. Integrating BIS licensed jewellers into the GMS ***without compromising the principles that govern the GMS, and at no extra cost,*** necessitated an in-depth review of the process flow to reassure Government.

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PROCESS FLOW ANALYSIS AND RECOMMENDATIONS:

- Participating Entity (PE - Refiner/CPTC/bank-approved jeweler) will approach Bank and get itself registered as Bank-approved Collection Center (CC) by furnishing the documentation prescribed by Bank / completion of KYC and such other covenants prescribed by Bank. (*no change*)
- PE provides fiscal security, viz. Stand-by Letter of Credit / Bank Guarantee / Fixed Deposit in favor of Designated Bank for an amount not lesser than a minimum amount stipulated by Bank for participation. (*no change*)
- Bank sets the fiscal limit for Bank's secured financial exposure on PE for GMS and authorizes PE to function as a bank-approved CC for and on behalf of Bank. (*no change*)
- Bank updates its web site with the list of its approved CCs, which will help Bank customers proceed to an appropriate Bank-approved CC for a Gold Monetization Scheme transaction. (*no change*)
- Bank Customer will approach the PE with his/ her existing jewellery, mentioning Customer's bank account details, to enable CC to reconfirm its on-going authorization with that Bank to Customers' satisfaction. (*no change*)
- PE staff will explain the agreed **standardised** verification / post-verification process to the customer for the customer to understand the process smoothly. (*no change*)
- PE will take Customer's consent and thereafter proceed with gold content verification of item(s) tendered.
(*no change*)
- Customer is free to approach one or more CCs of his / her choice & satisfaction. (*no change*)
- PE will retain the gold and
a) issue a Bank-prescribed system generated receipt to Customer for the gold quantity it has retained for and behalf of the Bank and
b) email a scan to the Bank. (***single point same day value-chain transaction***)
- Each such system generated receipt will result in a lien on the PE's financial security with the Bank for an amount computed using gold rate on transaction date *gold content. (*no change*)
- Customer hands over the system-generated receipt for the gold, whereupon Bank issues a GMS deposit certificate (akin to NSS certificate issued by Post Offices) for the quantity of gold, date of issue (*same day*), date of maturity elected by Customer, and rate of interest. The certificate can be de-mat using the same process to de-mat Sovereign Gold Bond certificates. (*enables secondary market tradability*)
- *Simultaneously*, Bank translates the gold liability and asset in INR by selling the same quantity of gold to the PE (charges GST) by crossing London AM fixing for gold/ USD rate with Rupee-US Dollar reference rate announced by RBI on that day and adding the prevalent custom duty for import of gold to arrive at the final value of gold. (*ref. para 2.1.1 viii of RBI Master Direction RBI/2015-16/211 updated 16-aug-2019*)
- **Value chain Transaction time stands reduced from thirty days to one day.**

- On behalf of Govt. Bank has a gold on deposit liability to Customer, on which it credits applicable gold interest (*no change*)
- Bank credits the Rupees to Government's account held with RBI same day (deposit date)
(*no change*)
- Single entity handling of physical gold in small non-deliverable quantities.
- Bank will pay the notified handling charges (including gold purity testing, refining, transportation, storage and any other relevant costs) of 1.5% for MLTGD to the PE and retain the notified commission of 1% of Rupee equivalent of each transaction value. (*no change*).
- Where deposit redemption is in Gold, minimum redemption weight is 100g gold bullion bar and multiples thereof.
- For smaller denominations, physical redemption is possible only in the form of minted bars of 1g and above; here making charges are charged extra.
- Decimal weight will always be settled in Rupees.
- No change in existing procedure for customers (temple trusts, etc) making big deposits of gold with Banks.

ATTRACTING THE RETAIL CUSTOMER

- *Enables secure handling of small quantities of gold:* User-friendly environment and convenience (accustomed to visit jewelers at convenient locations), with underlying Bank security of the transaction.
- *Transaction completed same day (significant benefit to all entities in the GMS value-chain). No thirty-day waiting period*; interest earning deposit certificate issued same day CC receipt submitted to Bank.
- *No additional KYC*: being existing KYC-verified bank account holder.
- Transparent, RBI prescribed procedure of Gold valuation in Rupees throughout the value-chain.
- *Enjoy tax benefit*: exempted from capital gains tax (on maturity), wealth tax, and income tax. Further as per section 10(15) of the Income Tax Act, there is no tax on accumulated interest (all are existing provisions; no further Tax relief sought).
- *Transfer*: The GMS certificate in Demat form can be freely traded, gifted or mortgaged for Rupee loans.

ADDRESSING BANK CONCERNS

- Eliminates risks associated with metal assurance, movement, storage & disposal of small quantities of gold.
- Risk free, single point gold deposit mobilisation with full transparency; No additional KYC; existing Rupee account holders.
- Simplifies collateralized gold Rupee lending as per norms followed by Banks.
- Translating the gold liabilities and assets in Rupees follows transparently RBI prescribed method for computing gold: rupee rate; no need to wait thirty days / extended duration risk to accumulate small quantities to reach minimum refining lot, etc.
- No extra cost to Bank; Bank remits service charge of 1.5% of transaction amount to PE and retains 1% service charge.
- **Banks are no longer the sole drivers of GMS; jewelers' also now play a significant role in making GMS a success.**
- Can interact with World Gold Council to integrate the customer-friendly GMS deposit program with on-going WGC customer outreach programs for gold.

ATTRACTING THE JEWELER

- Enhances customer reassurance as customer is dealing with a Bank authorised Collection Centre.
- No issue on monetizing mobilised (purchased) gold.
- Pre-commits to buy small quantity gold-on-deposit from the Bank.
- Single point, hassle free & quick (same day) settlement, enables all entities focus on promoting GMS.
- Enables pan India customer outreach for GMS at no cost to the scheme.
- Is the only entity in the transaction value chain that can handle small quantities of gold at nil incremental cost.
- Integrates jewellers with Banks to drive GMS.

ADDRESSING GOVERNMENT CONCERNS

- No risk of default as Participating Entity Collection Centre (PE-CC) risk is secured against SBLC/LC/ BG/ Bank line of credit/FD.
- Rupee liquidity generation is risk free; duration reduced from thirty days to one day.
- *No cost to / involvement of / policy change by Government to mobilize household gold.*
- Complete transparency in entire GMS value chain.
- Customer-friendly scheme encourages gold deposit mobilization.
- Oner more step in integrating domestic household gold in to *Atmanirbhar* India's economy

INTEGRATING GML WITH GMS

- Banks may lend the gold-on-deposit to the same jeweler PE who mobilized the gold from its customer, for a duration not exceeding six months, on mutually agreed terms.
- Since jeweler settles the gold loan by a purchase transaction at the expiry of loan duration, Bank translates the gold liabilities and assets in Rupees on the GML settlement value date, hence no fiscal impact on Government.
- Interest accruing on customer deposit for the duration of loan is borne buy Bank, which off-sets it against interest earned on the GML.
- Bank receives the 1.5% reimbursement and the 1% service charge co-terminus with the

translation of liabilities / assets with RBI and simultaneously takes the liability off its balance sheet.

- PE jeweler receives the 1.5% reimbursement for the gold mobilized on date gold loan is settled.

OVERVIEW

- *Gold Monetization process*: The whole process becomes single point, Customer & GMS value chain friendly for mobilizing household gold, with an option to integrate GML with GMS.
- *Demat*: GMS deposit certificate can also be held in De-mat form akin to SGB de-mat holding.
- *Transferability*: The GMS deposit certificate becomes freely transferable on par with norms for any security/financial document transfer.
- *Borrowing*: Borrowing can be permitted against charge created on GMS deposit receipts as per applicable schemes of the lender.
- *Banks* neither handle physical gold nor are the sole driver of GMS.
- *No cost to / involvement of / policy change by Government.*

IMPLEMENTATION

- RBI Master Direction updated on April 05, 2021 now includes jewelers meeting eligibility criteria conditions set by Indian Banks Association (IBA) to function as GMS mobilization, collection and testing agents of participating Banks. It has further reduced the minimum gold on deposit from 30 gms to 10 gms. Banks may open zero balance gold deposit accounts prior to tendering gold.
- However, the issues related to handling small quantities of gold (note that minimum quantity has been reduced to 10 gms) remain. Whether these will be addressed by IBA in its interaction with participating entities, or through a subsequent clarification, remains to be seen. It is hoped that IBA will, basis its interaction with participants, come up with its recommendations for implementation.
- There is need to clarify the modalities for GMS- linked Gold Metal Loan. Here again participating entities will need to clarify to IBA to enable the latter issue appropriate guidance.
- In the longer-term pipeline is the acknowledgement that a GMS e-platform needs to be developed which will provide a secure online workflow solution for the entire process by integrating all participating entities including, but not limited to, Collection Centers, Banks, the Regulatory Bodies and the Depositor. Technology will be the key to implementing a new-look consumer-friendly GMS.
- In short, some significant progress but lots more to be done. The road map is clear; the euphoria may take some time.

CONCLUSION

- In February 2018, Government announced in its budget that it would develop gold as an asset class, revamp the gold monetisation scheme and develop a gold spot exchange, all essential for gold to complete its journey from Illegal to Underground to Legal.
- Asset class and banking go hand-in-hand. To implement change, banks will need to transcend from treating gold as a mere commodity to treating it as a financial asset i.e. what is globally termed as Bullion Banking along with establishing a centralized gold clearing mechanism. This enables Banks focus on their core competence, viz. currency and credit, leaving the physical to be handled by agencies competent to do so. A Spot Commodity Exchange and an acceptable Good Delivery Standard of the underlying asset is co-terminus with this change. India's journey of integration with the way gold is managed globally will also need to address challenges of domestic gold mining and refining. Increasing use of technology in the gold market's infrastructure will drive efficiency and transparency in gold, be it in its purchase, storage, clearing and accounting, whilst simultaneously inspiring confidence in the consumer.
- The Covid pandemic has indeed impacted this work-in-progress, as it has with many other conflicting economic priorities. We need to be understanding, patient and supportive.

Rajesh Khosla

Associated with the Indian precious metals industry for over twenty –five years. Is widely respected for his in-depth knowledge and understanding of commercial realities of the Indian gold market value chain.

Managing Director MMTC-PAMP India since its inception in 2008 till August 2017, when he stepped down on attaining the age of seventy-five. As Chairman-Emeritus he continues to advise and guide the company in its quest for sustained excellence in precious metals. Former President, Association of Gold Refineries & Mints (AGRM), and currently National Vice President & member of Governing Board of Indian Bullion & Jewellers Association (IBJA).

MMTC-PAMP India is India's first and only London Bullion Market Association (LBMA) accredited Good Delivery Refinery for Gold and Silver, maintains an LBMA Responsible Gold Compliance Certificate and is one of only two precious metal refineries in the world holding SA 8000 certification.

Having steered MMTC-PAMP India for LBMA Good Delivery accreditation, he is spearheading the interaction between industry and Govt. to establish an India Good Delivery eco-system and developing Responsible Gold Compliance to enable Indian refineries aspire for LBMA Good Delivery Accreditation. He is frequently consulted on policy issues related to development of Bullion industry in India, including participation in industry conferences, conventions and seminars in India and overseas.

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AL ETIHAD
GOLD REFINERY

ABC BULLION

A PALLION COMPANY

Modern investors favour old money

Ms Shae Russell
Group Communications Manager, Pallion

The lobby is constantly full. A stream of people flows through the doors looking to top up their bullion holdings daily. There's always someone to serve in person. New account openings have increased dramatically. Orders increase in size and frequency. More new faces shuffle through the door. Long term investors call and up their precious metal holdings. Of course, this is the visible buyers. The foot traffic and phone calls are a small portion of our business. Digital purchases – be it online orders for physical bullion, investing in pooled accounts or parents starting an online gold saver account for their children – make up a whopping 65% of total sales.

Simply put, our global distribution means we can meet any client's bullion needs no matter where they are in the world. Good timing too. Because we're witnessing a seismic shift in attitudes to investing precious metals. The modern day investor knows diversification is crucial to wither turbulent markets.

GOLD MARCHES HIGHER AND PEOPLE WANT MORE

The events of 2020 pushed bullion to the forefront of finance commentary. All of which drew in new investors. Seeing demand for investment bullion rapidly outstrip its traditional role as an ornament. Meaning, this market coverage brought a new investor to precious metals: the retail investor.

> "Australia is tipped to pour 384 tonnes of gold this year."

Traditionally bullion has been favoured by private pension funds, family offices, or even exchange traded funds. Now we see retail investors keen to take control of their finances by looking to gold and silver as part of their investment plans. This has been compounded by a shift in what people are buying. In days gone by you'd expect investors to seek out ABC Bullion's cast bar range. Which is understandable as we've been pouring for 50 years so it's a brand people trust. Since launching our gold minted tablet range last year, these are rapidly becoming the option of choice for investors.

Australia ready to fulfill global demand

The real driver of sentiment however, isn't the market commentary on price action for either gold or silver. Rather it's the pressure on international networks to meet the increasing demand for bullion products. All of which, makes Australia a secret weapon in the global supply chain.

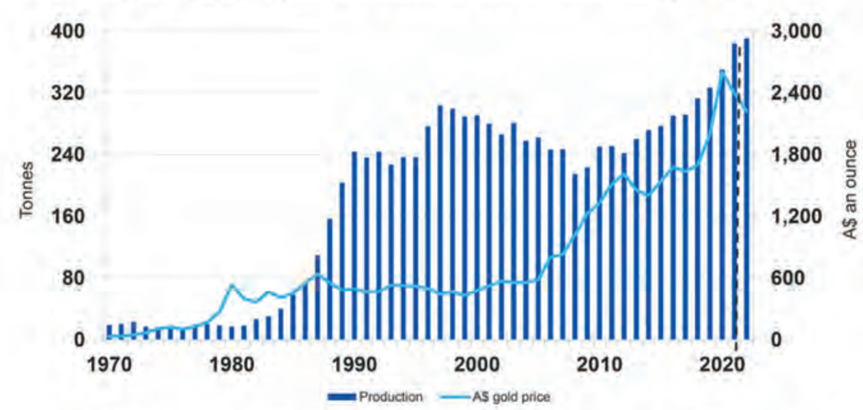
It's no secret that Australia is mineral rich. We hit the geological jackpot. But along with bounty of mineral riches, we have the intellectual capital to extract and process these materials to meet – and exceed – expectations. We have the largest known resource of gold – more than 10,000 metric tonnes. Russia is a distant second with only 7,500 metric tonnes of gold. Another bow in our arrow, is that 2021 marks the year that Australia became the world's largest producer, taking the title from China for the first time in 14 years. Australia is tipped to pour 384 tonnes of gold this year. The mantle of largest producers is simply because Australia was affected by the same events that crippled global supply chains of precious metals during 2020. Australian miners and refiners didn't have the same interruption to production that others around the world did. In short, we didn't shut down the machines so Aussie refiners were able to meet international demand. As a result, much our gold exports last year were shipped to London to fulfill good for delivery obligations.

Furthermore, with the populace settling into life with the pandemic, demand for precious metals is expected to increase this year. Jewellery demand from China and India is likely to hit double digit growth this year. This will also be compounded with rising investor demand wanting bullion bars and coins. In previous years there have been 'ebbs and floods' of precious metal demand. Jewellery and bullion have taken their turns at being the most sought-after product.

2021 is tipped to be the year jewellery and investor demand collide from all pockets of the globe. Here at ABC Bullion, we look forward to helping clients navigate this new market dynamic.

Australia now the world's largest gold producer

Figure 1: Australia's gold mine production and Australian dollar gold prices

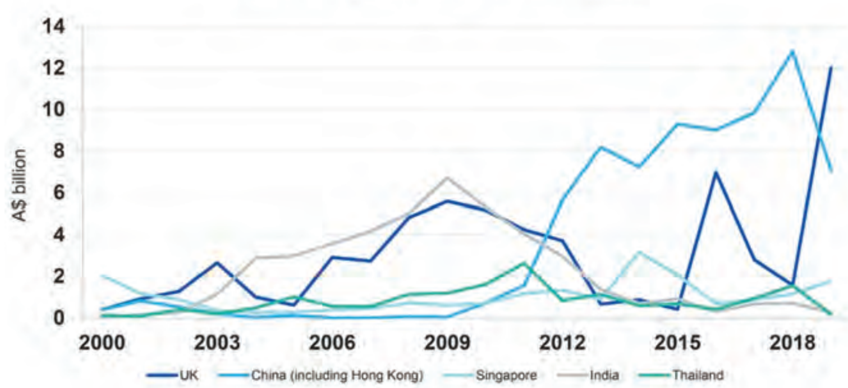


Source: LBMA (2020); Australian Government Department of Industry, Science, Energy and Resources (2020)

> Australian miners and refiners didn't have the same interruption to production that others around the world did.

Pandemic has changed Australia's gold export market

Figure 2: Australia's major gold export markets



Source: Australian Bureau of Statistics (2020)

Shae Russell has been an investment writer focusing on bullion and precious metals miners for the past 15 years.


SBMA

MALABAR
Chairman's view

Mr. MP Ahammed
Malabar Group

At present, about 25% of the jewellery retailing done by organised sector. Rest is through unorganised sector. Compulsory hallmarking is a great opportunity for a player in unorganised sector to move to organised sector. For your information, Malabar group, has adopted hallmarking ever since it was launched in 1999. Every piece of jewellery sold through our retail chain is a hallmarked jewellery. It has helped our business. We have also adopted responsible sourcing into our supply chain.

MALABAR
GOLD & DIAMONDS
CELEBRATE THE BEAUTY OF LIFE

We applaud the government for reducing customs duty on gold. However, the incentives are still high for smuggling. The only solution, in our view, is to reduce customs duty to the lowest possible level (ideally zero) and instead charge an equivalent amount as GST at the time of jewellery purchase. This would eliminate parallel trade. This is our personal view.

There is also a great need for educating customers on the importance of buying with proper invoice. Increased customer awareness would challenge parallel trade.

Just as RBI releases a reference rate for the currency pair, we believe, government should release a single rate for gold on a daily basis. This would improve the overall business for all.

Mr. MP Ahammed laid the foundation of the Malabar Group along with an eclectic team of entrepreneurs in 1993, with a jewellery showroom at Kozhikode. Two decades later, the group has carved a niche of its own in jewellery retailing, wholesaling and manufacturing; real estate and infrastructure development; home furniture, electronics & home appliances; and IT services and business solutions.

Malabar Gold's first showroom outside Kerala was set on 12th April 2005 in Bangalore. Soon, on July 2008, Malabar opened its first showroom in GCC. Currently Malabar Gold & Diamonds has more than 195 showrooms in 9 countries and is among the top five jewellery retailers in the world.

Determination of the Silver Content of Silver Plated or Blanched Silver Alloys.

Mr. Bharat Patil
Fischer

For finishing purposes silverware is often plated or blanched. In the plating process, a pure silver coating is applied to a silver/copper alloy. This produces an attractive, white satin sheen. Blanching achieves the same effect by chemically removing copper from the topmost layer of the silver/copper alloy. The result of both methods is a veneer of much higher silver content than the substrate, which complicates the determination of the fineness, and therefore, of the value of the silverware.

The only foolproof method for correctly determining the silver content of silver-plated or blanched silver/copper alloys is to test the base material directly, for example, by grinding or sawing down into it, since non-destructive standard analysis with X-ray fluorescence (XRF) shows erroneously high silver content due to the increased concentrations at the surface.

Using a measuring application which looks for a silver coating atop a silver/copper alloy, FISCHER X-ray fluorescence instruments allow for the non-destructive determination of both the thickness of the silver coating as well as the fineness of the base material. This works accurately for silver-plated items because the silver content in the plating is consistent. However, with blanching the silver content decreases steadily as the distance from the surface increases which makes the determination much more difficult.

> “Using specialized applications with the GOLDSCOPE SD® 520 makes it possible to determine the fineness of the substrate and the thickness of the covering layers of both silver-plated and blanched silverware – quickly, accurately and non-destructively”

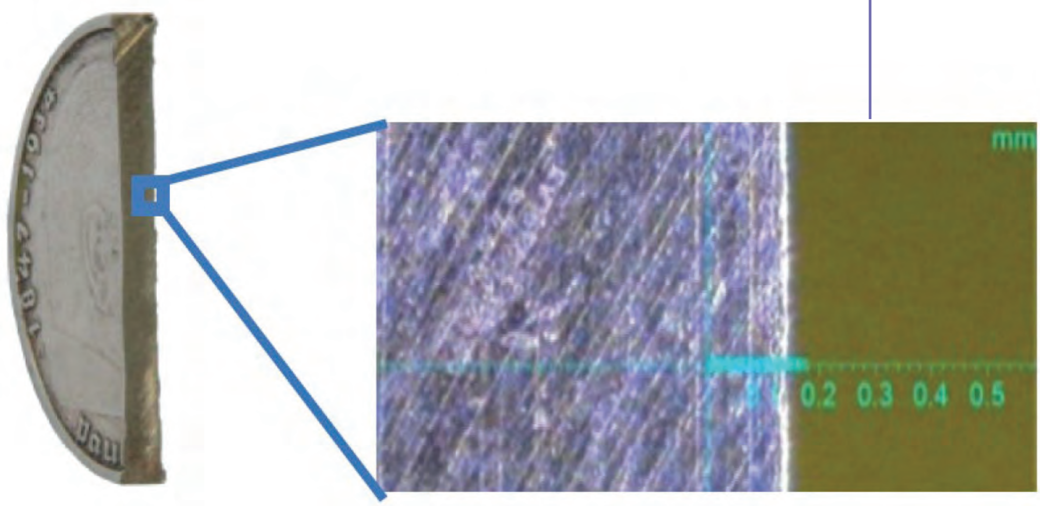


Figure 1: Blanched silver coin and enlarged image of the cross-section. The coin was cut in half to gather a depth-dependant profile for verification.

The blanched silver coin shown in Fig.1 was made from a 625 silver alloy (i.e. 62.5% nominal silver content). A simple material analysis using XRF would show a silver content of 85%, a value significantly greater than the nominal silver content.

blanched silver, "silver on silver/copper", a concentration of 61.4% is obtained, which is very close to the nominal silver content. To verify the results, this coin was then cut in half, allowing direct measurements in the cross-

the substrate and the thickness of the covering layers of both silver-plated and blanched silverware – quickly, accurately and non-destructively. Your local FISCHER representative will be glad to answer additional questions you may have.

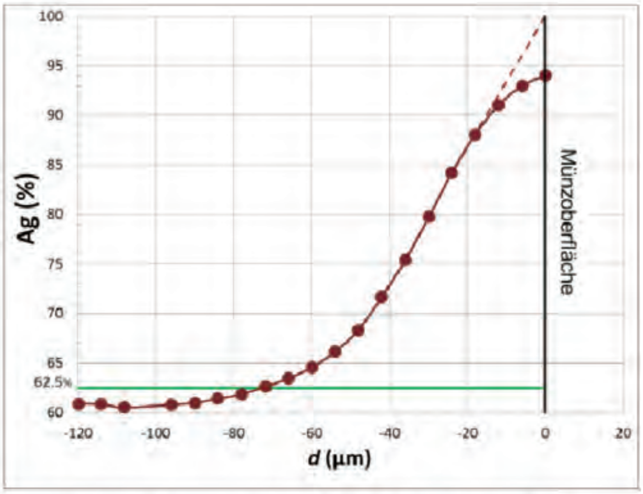


Figure 2: Depth dependant silver content of a halved coin. The nominal silver content is 62.5%. The measurement was verified using a FISCHERSCOPE® X-RAY XDV®-µ instrument with high local resolution.

Fig. 2 shows how the silver content increases as a function of the closeness to the coin surface, where the silver concentration approaches 100%. Using the GOLDSCOPE SD® 520 and an application created specifically for the measurement of

section using an XDV-µ instrument with an extremely small spot size due to a focusing optics.

Using specialized applications with the GOLDSCOPE SD® 520 makes it possible to determine the fineness of

Mr. Bharat Patil
National Sales Manager
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SAVOR SILVER

THE SILVER PROMOTION SERVICE

The Silver Promotion Service (SPS) was formed in 2008 by the Washington, D.C. based Silver Institute. The SPS Mission is to enhance the image of and stimulate demand for silver jewelry in key international markets.

The SPS selects silver designers and brands to participate in the Savor Silver program. This multi-tiered program provides participants with a wide range of benefits. Designers and brands that are chosen to participate have access to programs based on their classification in the program.

The **"International Designer of Distinction"** designation represents designer brands that offer unique design and the utmost in quality, each representing their country's best silver jewelry offerings.
The "International Designer of Distinction program offers participants the following benefits:

- The inclusion in a press release announcing their selection.
- For the brand/designer to be showcased on **www.savorsilver.com,** a "go-to" website for silver, generating international exposure.
- The use of the SilverMark in collateral and advertising materials to identify that the jewelry featured is silver.

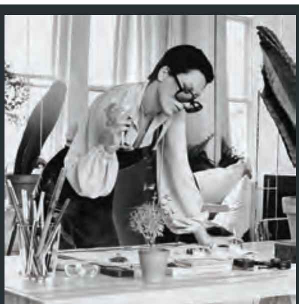
Interested parties may contact Michael Barlerin, **mbarlerin@savorsilver.com,** Director ,Silver Promotion Service.

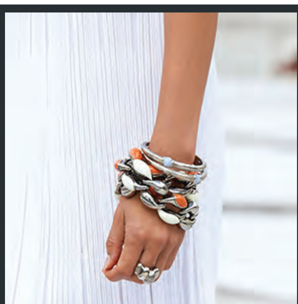
PARTICIPATION REQUIREMENTS FOR PARTICIPATION IN THE SAVOR SILVER PROGRAM (US)

Jewlery Designers and or brands that design / offer silver jewelry
Participation Classifications: There will be three classifications of Participation: (1) Designers of Distinction and (2) SilverMark Partners and (3) Silver Style Partners.
Applicants must satisfy the Program Director and the Business Development Director that their interest is fully consistent with the purpose of the Silver Promotion Service and Savor Silver Program.

Applicants will need to meet the following qualifications for consideration in the program:

- The brand/designer must have distribution in the U.S. for a minimum of 2 years
- At least 50% of the applicant's collections/ designs must in silver
- Designs must be made from sterling silver and not plated silver or vermeil
- Current and target distribution needs to be independent jewelry stores
- The applicant must commit to full and active participation in the Savor Silver Program
- Participants must pay an annual participation fee





IBJA'S NEW INITIATIVES

INDIA BULLION AND JEWELLERS ASSOCIATION LTD.
Since 1919

Following are the new initiative taken up by IBJA:-

1. **Consultancy desk:-** IBJA is setting up consultancy through the expert consultant for its premium bullion dealers. These consultancy will be in the following areas:-

- Goods and Service Tax
- Income Tax
- Customs
- Directorate of Revenue Intelligence
- Enforcement Directorate
- Any other consultancy as agreed upon with the premium bullion dealers.

2. New Category of Membership:- IBJA has started a new "Premium Bullion Membership" only for its Platinum members. Members enrolled under this plan will be eligible to get consultancy services as states in point no. 1 above. This membership will initially start for refiners and bullion dealers of Mumbai and than later will be extended to all over India.

3. IBJA Rating for Premium Bullion Members:- IBJA will hire a rating agency and is planning to provide star rating (1-5) to its bullion dealers. Various parameters for rating are being worked out for bullion dealers and refiners as well. This rating will be very helpful in case of B2B transactions.

4. IBJA's Golden Page Directory:- IBJA has ambitious plan for making a golden directory for 3 lakhs jewellers across the country for which it has already launched a website called www.ibjaevents.com Any jeweller can register on this website free of any charges. The jewellers can upload following information on the website:-

- Name of company
- Address of company
- Contact details
- Category (Manufacturer, retailer, wholesaler, bullion dealer, others)
- Owners image
- Product image
- Company video
- Brand image
- Company profile
- Any special offers given by the company

We shall also start rating for jewellers through this website.

5. IBJA Skill Development Council:- IBJA is now registered with Gem and Jewellery Skill Council of India (GJSCI) and NSDC to run its own courses. IBJA has collaborated with International Institute of Gemology (IIG) to conduct its courses. IBJA is all set to start its classroom facility in prime locality of South Mumbai and Western Suburbs of Mumbai. IBJA wish to train student for following courses.

- Hallmarking
- Family business management
- Retail management

6. IBJA Passionfox Studio:- Passionfox India Limited is an associate of IBJA which currently publishes IBJA times Magazine. IBJA in collaboration with Passionfox has also started studio for photography and videography of jewellery. Passionfox also caters to digital marketing for jewellers.

7. Online market platform:- IBJA has collaborated with Jewelxy for online jewellery business platform for jewellers. This collaboration will help to increase their sales. This will help:--

- List Jewellers business
- Create jewellers catalogue
- Reach more customers
- Increase store footfall
- Sell more jewellery

FIVE NEW FOREIGN ASSOCIATE MEMBERS JOIN SINGAPORE BULLION MARKET ASSOCIATION

Certiline Srl, Metals Focus, Phu Nhuan Jewelry Joint Stock Company (PNJ), The Perth Mint, and Trovio Pty Ltd have joined Singapore Bullion Market Association (SBMA) as Foreign Associate Corporate members.

"Businesses are actively seeking to connect and build relationships during this trying period, and SBMA has been helping to facilitate such activities. As the global economy picks up and seeks to normalise, we are pleased to share that SBMA has kept active engagements with businesses in the precious metals industry", Albert Cheng, CEO of SBMA, said.

“I believe each will contribute positively to the Singapore precious metals market scene and SBMA will continue to serve as a bridge between regulators and the bullion industry at large; aimed at building Singapore into the leading global precious metals trading hub”, Martin Huxley, Chairman of SBMA, added.

With the addition of Certiline, Metals Focus, PNJ, The Perth Mint and Trovio, SBMA’s total membership consists of 44 companies, including 3 Category 1 members, 12 Foreign Associate Corporate members, 28 Local Associate Corporate members and 1 Affiliate member.

INDIA news

Pandemic's second wave threatens to derail jewellery sector in Rajasthan

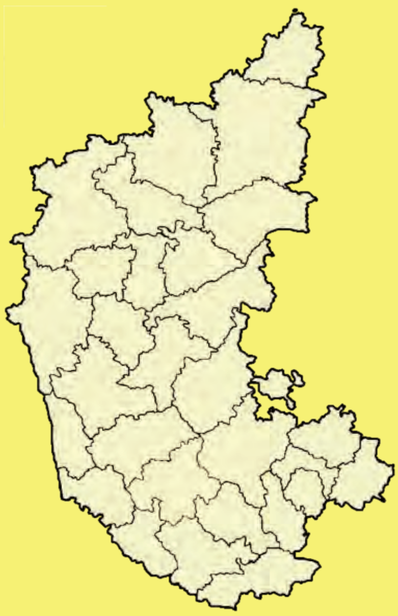
The gems and jewellery sector in Rajasthan, already hit hard by the first wave of COVID-19, has now been left worried with the pandemic's second wave hitting harder, being stronger and more intense in nature. Speaking to IANS, Jewellers Association former president Sanjay Kala said, "Earlier, we had plans to organise smaller versions of our mega trade fairs to ensure businesses sail smoothly in tough times by showcasing Kundan Meena, Gold, diamond jewellery separately which earlier were displayed together in one trade fair. However, as of now, we have cancelled our plans looking at the intense situation."

The industry has already been facing the woes of the pandemic's first wave, he added. In fact, the statistics released by the GJEPC confirm that the growth of overall exports of gems and jewellery, cut and polished diamonds and gold declined from April 2020 to March 2021.While the overall gross exports of gems & jewellery at US$ 21887.18 million (Rs 161254.77 crores) declined by 34.58% (-31.70% in rupee terms) as compared to US$ 33454.1 million (Rs 236105.65 crores) for the same period in the previous year, the overall gross exports of cut & polished diamonds at US$ 14242.94 million (Rs 104771.93 crores) also declined by 19.53% (-16.10% Rs. term) as compared to US$ 17699.04 million (Rs. 124877.56 crores) for the corresponding period of last year.

Meanwhile, the gross imports of rough diamonds at US$ 9486.21 million (Rs 69989.97 crores) in April 2020-February 2021 further declined by 23.43% (-19.97% in rupee terms) compared with the imports at US$ 12388.94 million (Rs 87453.18 crores) for the previous year.

The positive side of the story is that production continues in our industry, he said, quoting the Mumbai example, "In Mumbai, amid lockdown, factories continued to operate and hence we are confident to send our products to places where there is demand.""As the wedding season approaches (April-May), this wave has left us worried too. So basically we are producing on a smaller scale as there is uncertainty around," he added.

Source: https://www.daijiworld.com



New mining policy for Karnataka to be released by month-end

Mines and Geology Minister Murugesh Nirani said that the new mining policy of Karnataka, with a chapter for three coastal districts, will be released by this month-end. The department was also preparing Vision 2050 so as to plan for the next 30 years seeking suggestions from various stakeholders regarding environment-friendly mining activities.

The Hatti Gold Mines, from where about 1.7 tonnes of gold are being obtained annually, will be renamed as Karnataka Hatti Gold Mines Ltd. on April 30 on the occasion of Gani Adalat in Bengaluru. The department is planning to sell min ed gold in the form of coins with the State emblem on the one side and images of prominent personalities of the State on the other, instead of in gold bars to popularise the name of the State. Vast quantity of tailing (mineral sand) will be examined as to the content of gold at Hatti as well as Kolar Gold Fields and if found feasible, tailing will be reprocessed to obtain gold.

Source: https://www.thehindu.com

Mandatory gold hallmarking to be implemented from June 1, says govt

The government said it is fully prepared to implement mandatory hallmarking of gold jewellery and artefacts from June 1, 2021. Gold hallmarking is a purity certification of the precious metal and is voluntary in nature at present. The Centre, in November 2019, had announced that hallmarking of gold jewellery and artefacts would be made mandatory across the country from January 15, 2021. The government had given jewellers more than a year to shift to hallmarking and register themselves with the Bureau of Indian Standards (BIS). But the deadline was extended for four months till June 1 after the jewellers sought more time to implement in the wake of the Covid-19 pandemic.

"No extension has been sought. BIS is already fully energised and involved in giving approvals to jewellers for hallmarking," Consumer Affairs Secretary Leena Nandan said. Elaborating more, BIS Director-General Pramod Kumar Tiwari said, "From June, we are fully prepared to implement (mandatory hallmarking). And at present, we have received no proposal to extend the date." So far, 34,647 jewellers have registered with the BIS.

Source: https://www.business-standard.com

Jewellers body seeks to put off mandatory hallmarking

The All India Gem Jewellery Domestic Council has urged the Department of Consumer Affairs under the Union Ministry of Consumer Affairs, Food and Public Distribution to postpone the deadline for mandatory hallmarking of gold jewellery by a year. The mandatory gold jewellery hallmarking was to be implemented from June.

Out of the 733 districts in the country, only 245 districts now have assaying and hallmarking centres (as per BIS data) and GJC urged the BIS to ensure that there is at least one A&H Centre in each district in the country.

GJC said it is essential to have proper accredited, fully functional assaying and hallmarking Centres in all districts with proper infrastructure and trained personnel prior to the requirement of mandatory hallmarking. As per BIS data there are 940 assaying centres in 245 districts across India and the number of jewellers registered with BIS are 31,585. However, there is no presence of hallmarking centres in 488 districts. Even the existing Centres are concentrated only in and around the urban area or clusters where there is heavy concentration of jewellers. Only eight per cent of the entire country has the access to A&H centres.

Ashish Pethe, Chairman, GJC, said, "There are various operational and procedural issues in relation to implementation of the mandatory requirement. This will also severely affect the jewellery industry, leading to drastic consequences such as cessation of business, loss of livelihood, litigation and unnecessary waste of time and energy."

Mandatory hallmarking in its current state has the potential to affect the livelihood of millions of people and will lead to huge disruption in the century's old jewellery business, he added. Due to Covid-19, the jewellery business is already suffering, and mandatory hallmarking should be postponed by at least an year till the infrastructure is in place, he said.

Given the on-going Covid-19 pandemic and the fact that various parts of the country continue to be in a lockdown scenario, GJC said, "There are many states and Union Territories such as Arunachal Pradesh, Ladakh, Manipur, Meghalaya, Mizoram, Nagaland, Sikkim, Andaman and Nicobar Islands, Dadra & Nagar Haveli, Daman & Diu and Lakshadweep where there are no assaying Centres. Jewellers are closing their business and unemployment are leading. It is therefore of paramount importance for the government and BIS to first consider the practical issues."

Source: https://www.thehindubusinessline.com

Maharashtra: Gems, jewellery manufacturing activities exempted from emergency measures

The Gem and Jewellery Export Promotion Council (GJEPC) said the Maharashtra government has allowed export operations to resume with restrictions in number of people working in the manufacturing units during the ongoing night curfew and weekend lockdowns, to curtail the coronavirus spread. In a virtual meeting with the gems and jewellery manufacturers and exporters, Maharashtra Chief Minister Uddhav Thackeray said manufacturing and ancillary activities in the state would be exempted from the ongoing emergency measures during the second wave of Covid-19, GJEPC said in a statement.

GJEPC chairman Colin Shah requested the Chief Minister to consider a waiver on the double stamp duty paid by the diamond industry when seeking loans from banking consortiums. He also pointed out that none of the nominated agencies were importing gold into Mumbai as Maharashtra is the only state to impose stamp duty on gold imports. "A waiver of stamp duty on gold imports into Mumbai would boost the state's revenues," Shah added.

Source: https://retail.economictimes.indiatimes.com

SEBI mulls a spot bullion exchange in Mumbai

Markets regulator SEBI is mulling a bullion spot exchange in Mumbai, a move that could clash with the plans announced by the Gujarat International Finance Tec-City (GIFT).

The Securities and Exchange Board of India (SEBI) was designated to regulate the spot bullion market in February by the Finance Minister in the budget speech. SEBI has held two meetings with the National Stock Exchange, the BSE, the Multi Commodity Exchange and the National Commodities and Derivatives Exchange so far to discuss the matter, sources told BusinessLine.

While MCX wants the spot platform in the same entity alongside its derivative platform, NCDEX wants a separate subsidiary structure, which other exchanges are not averse to, sources said.

China has a spot exchange for bullion known as the Shanghai Gold Exchange that has a benchmark called the 'Shanghai Gold Fix.' The government is thinking on the same lines of creating an Indian benchmark, sources said.

Currently, the gold pricing scenario in India is dominated by two organisations, including the Indian Bullion and Jewellers Association (IBJA), Gem & Jewellery Export Promotion Council (GJEPC). They act as self-regulatory organisations and play a vital role in policies on spot markets.

Turf war

Industry watchers said that SEBI may be headed for a turf-war with the GIFT regulator. The NSE, BSE, MCX and NCDEX have already signed MoUs for setting up a spot bullion exchange in Gandhinagar. The India INX exchange has even got an approval. The GIFT regulator was planning on the lines of Shanghai exchange, which does both domestic and international trades on the same platform, the sources said. If a bullion spot exchange comes up in Mumbai, it is likely that international players will not be able to trade there initially as several policy changes will be required. But it is different for GIFT since it is an off-shore market and has permission for international players. Also, the entire ecosystem including delivery centres and hallmark agencies will have to be regulated by SEBI.

Source: https://www.thehindubusinessline.com

Demand for gold goes up marginally in Chennai

Jayantilal Challani, president, Jewellers and Diamond Traders' Association, Madras, said business was better in tier-2 towns when compared to Chennai. Many customers who want to make small investments choose gold now. Only 50% of the customers are allowed in most shops as part of COVID-19 protocols. Several shops have started engaging staff members for work in batches. Many jewellers are managing with available stock as the situation is yet to stabilise. Supply of handmade jewellery from other places has dropped by about 40%," he said. Recalling that the gold price had peaked at ₹5,380 in August, Mr. Challani said a mobile application called MJDTA, which had several features and information on gold rates and price trends, would help customers and jewellers learn about the fluctuations in price trend and choose the right time to buy ornaments. The association has also put up information for jewellers, including details regarding financial services and guidelines to open jewellery stores

Source: https://www.thehindu.com

INTERNATIONAL news

ACU launches a gold token based on block chain technology

In order to meet the needs of digital society for convenient and efficient gold trading, ACU Digital Limited recently launched ACUG token, combining traditional gold trading with blockchain. ACUG has an asset investment method which is anchored by physical gold and realized by blockchain technology. According to the recently released "Research Report on Current Situation Analysis and Investment Strategy of China's Gold Trial Production from 2020 to 2026", China's gold investment market has obviously recovered. This trend may help ACUG token to quickly occupy the market and become the connecting hub of the gold market. ACU launches a gold token based on blockchain technology

Compared with traditional gold and cryptocurrency investment,ACUG has the following advantages:

1. 1ACUG and 1 ounce of gold are exchanged 1:1.
2. Gold is a two-way trade.
3. Compared with traditional gold trading, ACUG has a shorter settlement time, which provides a good opportunity for investors to conduct cumulative trading on the same day, thus improving the utilization rate of funds and increasing the possibility of return on investment.

ACUG is highlighting its own value in the turbulent global environment with a more stable, reliable and convenient gold token. The first batch of 100,000 ACUG launched on March 22nd has been snapped up within one hour. It can be seen that investors are optimistic about ACUG.

Source: https://www.taiwannews.com

S. Africa’s PIC invests $7.4B in platinum betting on sustained rally

Source: https://www.runningafrica.com

South Africas largest money manager, Public Investment Corp., estimates that the platinum miners would continue to make enormous payouts as stringent vehicle-emission regulations impel the demand and earnings of metals.

The state-owned entity, which primarily manages South African government worker pensions, stated that it has made investments of over 110 billion rand (USD 7.4 billion) in mining companies such as Anglo American Platinum, Sibanye Stillwater, and Impala Platinum Holdings.

According to PICs portfolio manager for mining and resources, Mdu Bhulose, this investment has brought great returns over the last three years. Bhulose stated that the cycle should persist for some time. The dynamics of supply and demand are quite strong, and they are talking to a tightening market which is supposed to favour the prices.

Bhulose stated that the lack of investment in the new mining projects over the last decade implies that supply deficits will remain. However, the longer-term threat to the demand resulting from electric vehicles means that miners must remain apprehensive about the expansion.

LBMA data shows there is more demand for silver at the moment

The LBMA have released their latest gold holdings and clearing statistics data. The association have said at the end February 2021, there were 9,559 tonnes of gold, valued at $535.6 billion. This much gold equates to approximately 764,741 gold bars. When it comes to silver, at the end of February 2021, there were 34,996 tonnes of silver, valued at $30 billion. This is around 1,166,540 silver bars.

For February, clearing stats were unchanged month on month (m/m) at 18.8 mn ounces, with the corresponding value 2.9% lower at $34.1 bn. There were 4,650 transfers in February broadly in line with the previous month, with the clearers settling on average 4,053 ounces per transfer, 0.7% higher m/m.

For silver, the volume of ounces transferred in February increased by 30% to 336.2 mn ounces, with the corresponding value transferred more than 37% higher m/m at $9.2 bn. The number of transfers in February increased by 44% m/m to 2,737, with the clearers settling on average 122,830 ounces per transfer, 9.8% lower m/m.

Source: https://www.kitco.com

Uzbekistan discloses 10-year dynamics of gold exports

Uzbekistan exported 687 tons of gold for the past ten years, Uzbek central bank has said in a recent report, for the first time disclosing 10-year dynamics of its main export commodity. The report was released earlier this week as the ex-soviet republic opens up its macroeconomic data to bring it in line with international standards.

Uzbekistan's gold export hit the highest point of 110 tons in 2019, compared with the lowest of only 10 tons in 2012, according to the report on the country's investment position and balance of payment.

The resource-rich Central Asian nation produces around 100 tons of gold annually. The Muruntau gold mine in Navoi region was rated as the world's leading gold mining deposits in 2020, according to a review by Kitco, a Canadian company that buys and sells precious metals.

Source: http://www.xinhuanet.com

107.5 tonnes of gold flowed out of global ETFs in March - World Gold Council

The WGC said that 107.5 tonnes of gold, valued at $5.9 billion, flowed out of global ETF products in March. The report noted that the gold market had seen strong outflows in four of the last five months.

"This was also the second month in a row which net outflows ranked the top 10 worst outflows historically," the report said. "Since the peak asset levels in November 2020, gold ETF holdings have fallen nearly 9% in tonnage terms, on part with the approximate loss in the price of gold over the same period."

In an interview with Kitco News, Juan Carlos Artigas, director of investment research at the WGC, said that it is not surprising that the gold market saw strong outflows as expectations have picked up that the U.S. will see a robust recovery from the COVID-19 pandemic. He added that the tactical investors have been taking profits in the gold market as momentum has slowed compared to last year. However, he added that strategist investors continue to see long-term value in the yellow metal and are providing critical support.

"It is natural for the gold market to see some outflows as investors continue to take profits from last year's record rally," he said. "This is a natural rebalancing of the gold market."

There are some concerns that the gold ETF market could see a repeat of the massive selloff of 2013, where 36% of ETF holdings were liquidated, causing a roughly 30% drop in the price. However, Artigas said that the WGC does not expect this scenario to emerge in 2021.

Artigas explained that compared to 2013, the gold ETF market is a lot more diverse as holdings have grown across the world. Eight years ago, the gold ETF market was mostly centralized in North American, Artigas noted. But the market is nearly evenly split among investors in North America and Europe. He added that Asian investment demand is also seeing steady growth.

Looking at the first quarter, North American funds saw total outflows of 145.4 tonnes, representing 86% of the market, the WGC said. European funds lost 51.7 tonnes during the quarter, with UK-listed funds accounting for most of the outflows, the analysts added.

"The full impact of the pandemic is still unknown," he said. "We don't know the unintended consequences from all the stimulus that has been pumped into the global economy. We believethet thte macro-economic environment in 2021 remains supportive for gold."

Source: https://www.kitco.com

Britain buys most of Russia's gold exports in January, worth over $700mn

Russia exported 13.73 tons of rough gold in January, up 1.5 times year-on-year, according to data from the Federal Customs Service. In monetary terms, exports almost doubled to $812 million, data shows. The customs service said that, in December, gold exports were higher – at 22 tons, worth $1.3 billion.

Supplies to the United Kingdom accounted for more than 90% (12.9 tons) of all Russian gold exports in January. The metal was also delivered to Kazakhstan and Switzerland.

In 2020, Russia exported gold worth a total of $18.535 billion, which is 3.2 times more than during the previous year. In physical terms, the export of gold in 2020 more than doubled – up to 320 tons against 123 tons in 2019.

Source: https://www.rt.com

Central bank and consumer buying in India and China arrest gold's slide

Gold buying by central banks and consumers in India and China is stirring hopes for a recovery in the market, which has been hit by a wave of selling this year driven by large exchange traded fund outflows. The metal has staged a tentative recovery in the past fortnight, rising about 2 per cent as a handful of bullish factors have converged.

Two indicators have pointed to robust demand in China, the world's biggest consumer. The price of gold in the country has traded at a premium to international prices in recent weeks, from a discount in 2020. At the same time, the amount of gold withdrawn from the Shanghai Gold Exchange doubled in March from a year earlier to 168 tonnes, according to exchange data. Much of this gold will have been used to restock inventories in the manufacturing and retail sector following a strong period during the Chinese Lunar New Year in February, according to John Reade, chief market strategist at the World Gold Council. "It's a reflection that demand was strong and is expected to be decent going forward," he said.

Demand for gold jewellery has also rebounded in India, where imports hit a near two-year high in March of 98.6 tonnes, according to Bloomberg. "There's been a sea change in sentiment in Asia," Rhona O'Connell, an analyst at brokerage StoneX in London, said. That could provide a floor for gold prices if central bank gold demand also remains strong, she said.

Central banks bought 8.8 tonnes of gold in February, driven by India, Uzbekistan, Kazakhstan and Colombia, according to the World Gold Council, an industry body made up of gold miners. Still, in the first two months of the year overall, central banks were net sellers of the metal, with sales totalling 17 tonnes, led by Turkey — the weakest start in more than a decade. Hungary said last week it had increased its gold holdings from 32 tonnes to 95 tonnes in March,

after "taking into account the country's long-term national and economic policy strategy objectives". "The appearance of global spikes in government debts or inflation concerns further increase the importance of gold in national strategy as a safe-haven asset and as a store of value," Hungary's central bank said.

Gold is still off about 8 per cent in 2021 despite the recent pick-up as investors have shifted money into equities following the rollout of coronavirus vaccines in the US and Europe. The precious metal has fallen out of favour in part due to rising bond yields, which make gold less attractive since it does not provide investors with a fixed income stream.

Source: https://www.ft.com

China opens its borders to billions of dollars of gold imports

China has given domestic and international banks permission to import large amounts of gold into the country, five sources familiar with the matter said, potentially helping to support global gold prices after months of declines.

With China's economy rebounding strongly since the second half of last year, demand for gold jewellery, bars and coins has recovered, driving domestic prices above global benchmark rates and making it profitable to import bullion. The local premium is now about $7 to $9 an ounce, according to gold traders in Asia, and would probably have increased further if more imports to satisfy demand had not been allowed.

About 150 tonnes of gold worth $8.5 billion at current prices is likely to be shipped following the green light from Beijing, four sources said. Two said the gold would be shipped in April and two said it would arrive over April and May. The bulk of China's gold imports typically comes from Australia, South Africa and Switzerland.

The People's Bank of China (PBOC), the country's central bank, controls how much gold enters China through a system of quotas given to commercial banks. It usually allows metal in but sometimes restricts flows. "We had no quotas for a while. Now we are getting them … the most since 2019," said a source at one of the banks moving gold into China. The size of the shipments signals China's dramatic return to the global bullion market. Since February 2020, the country has on average imported gold worth about $600 million a month, or roughly 10 tonnes, Chinese customs data show.

In 2019, its imports ran at about $3.5 billion a month, or roughly 75 tonnes. China's absence made little difference to gold prices early in the pandemic when Western investors fearful of economic catastrophe stockpiled vast amounts of the safe-haven asset, pushing it to a record high of $2,072.50 an ounce. But the investor interest drifted away as vaccines and government stimulus programmes revived economic growth and gold prices have sagged to around $1,750 an ounce.

Source: https://www.mining.com

UAE reviews plans to launch federal gold trading platform

The UAE is reviewing plans to launch a federal platform for gold trading to strengthen the country's role in the global gold and jewellery market.

Technical plans for the platform and for establishing a comprehensive database of all of the main players in the country's gold industry were reviewed at a meeting of the Emirates Gold Bullion Committee, chaired by minister of state for foreign trade Thani Al Zeyoudi. The committee also reviewed the progress being made with the introduction of the UAE Good Delivery Standard, a quality benchmark for the production of high-quality gold, state news agency Wam said.

The minister said that the committee has made tangible progress in implementing policies aimed at bolstering gold trading to ensure the development of robust legislation conducive to spurring further growth in the sector. "The Emirates Gold Bullion Committee is determined on ensuring the enforcement of international standards and criteria to ensure greater transparency and bolster the gold trade," he said.

Gold and jewellery is an important sector to the UAE's economy, with precious metals and diamond trading constituting a significant part of the country's total non-oil exports. Gold topped the list of commodities making up Dubai's 2020 external trade at Dh213 billion ($58bn), followed by telecoms (Dh153bn), diamonds (Dh64bn), petroleum oils (Dh57bn) and jewellery (Dh47bn), figures released by the Dubai government last week showed. The Gold Bullion Committee's meeting also discussed ways of boosting the efficiency of the nation's customs outlets to handle the expected growth in gold trade and the prospects of accelerating co-operation with strategic partners to address local and international challenges.

Source: https://www.thenationalnews.com

Gold exports from Switzerland in kg

	To China	To Hong Kong	To India	To the U.S.	To Britain
Feb-21	9389	31	82641	1674	469
Jan-21	2000	1045	56522	12031	77
Feb-20	0	152	6637	43212	6830

* Source: Swiss customs. Data subject to revision by source.

Silver demand surging to its highest since 2015

Global silver demand will rise this year to its highest since 2015 as jewellery and industrial offtake rebounds after the coronavirus pandemic, helping to lift prices, the Silver Institute said in a report.

Silver is used in the manufacturing of goods from solar panels to consumer electronics, and is also bought by investors who traditionally see it as a safe store of wealth. The pandemic triggered a rush of investor stockpiling but curtailed demand from industry and jewellers, particularly in India, one of the most important markets.

All demand segments except for exchange traded funds (ETFs), which store silver for investors, will use more this year, and even ETFs will buy far more than was typical before the pandemic, the report said. Excluding ETFs, global silver demand will rise to 1.033 billion ounces in 2021 from 896.1 million ounces last year, according to the report compiled for the institute by consultants Metals Focus.

Silver supply will rise to 1.056 billion ounces from 976.2 million ounces in 2020, implying oversupply of 23.3 million ounces this year - the sixth consecutive annual surplus, though down from 80.1 million ounces in 2020. The report excludes ETFs from its physical demand figures because they do not remake silver into products, but only store wholesale silver bars.

ETFs will stockpile 150 million ounces this year, down from 331.1 million ounces in 2020, the report said. If those numbers are added to physical demand, the market will be undersupplied by 126.7 million ounces after a 251 million ounces deficit in 2020.

Silver prices, currently around $26 an ounce, will average $27.30 an ounce this year, up from $20.55 in 2020 and the highest annual average since 2012, the report forecast.

Source: Reuters

Top 10 biggest gold mines in Africa in 2020.

	Mine	Country	Major owner / operator	2020 Au output, koz	2019 Au output, koz	Change, %
1	Kibali	DRC	Barrick / AngloGold Ashanti	808	813	-1
2	Loulo Gounkoto	Mali	Barrick	680	715	-5
3	Fekola	Mali	B2Gold	623	456	37
4	Geita	Tanzania	AngloGold Ashanti	623	604	3
5	Tarkwa	Ghana	Gold Fields	526	519	1
6	Ahafo	Ghana	Newmont	480	643	-25
7	Sukari	Egypt	Centamin	452	481	-6
8	Tasiast	Mauritania	Kinross	407	391	4
9	Essakane	Burkina Faso	IAMGOLD	404	409	-1
10	Akyem	Ghana	Newmont	371	422	-12

Source: https://www.kitco.com/

IBJA Opening & Closing Rates for Gold and Silver

(All rates in INR)

Date	Gold 999		Gold 995		Gold 916		Gold 750		Gold 585		Silver 999	
	(AM Price)	(PM Price)	(AM Price)	(PM Price)	(AM Price)	(PM Price)	(AM Price)	(PM Price)	(AM Price)	(PM Price)	(AM Price)	(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
04/01/2021	44917	44919	44737	44739	41144	41146	33688	33689	26276	26278	63634	63737
04/05/2021	45176	45259	44995	45078	44381	41457	33882	33944	26428	26477	64546	64962
04/06/2021	45421	45410	45239	45228	41606	41596	34066	34058	26571	26565	65600	65422
04/07/2021	45904	45929	45720	45745	42048	42071	34428	34447	26854	26868	66139	66032
04/08/2021	46152	46411	45967	46225	42275	42512	34614	34808	26999	27150	66905	67219
04/09/2021	46554	46446	46368	46260	42643	42545	34916	34835	27234	27171	67175	66930
04/12/2021	46375	46545	46189	46359	42480	42635	34781	34909	27129	27229	66854	67177
04/13/2021	46352	46506	46166	46320	42458	42599	34764	34880	27116	27206	66444	66903
04/15/2021	46706	46782	46519	46595	42783	42852	35030	35087	27323	27367	67953	68021
04/16/2021	46917	47169	46729	46980	42976	43207	35188	35377	27446	27594	68286	68810
04/19/2021	47555	47592	47365	47401	43560	43594	35666	35694	27820	27841	68482	68894
04/20/2021	47174	47478	46985	47288	43211	43490	35381	35609	27597	27775	68608	68743
04/22/2021	47864	47814	47672	47623	43843	43798	35898	35861	28000	27971	69966	69800
04/23/2021	47615	47806	47424	47615	43615	43790	35711	35855	27855	27967	69075	69152
04/26/2021	47401	47351	47211	47161	43419	43374	35551	35513	27730	27700	68383	68425
04/27/2021	47353	47383	47163	47193	43375	43403	35515	35537	27702	27719	68565	68853
04/28/2021	46950	46859	46762	46671	43006	42923	35213	35144	27466	27413	67846	67700
04/29/2021	47027	46930	46839	46742	43077	42988	35270	35198	27511	27454	68567	68460

The above rates are exclusive of GST/VAT

Bullion - Data & Statistics

Gold Spot Market International (Per Troy Ounce)			
Spot gold	01st April	28th April	% Change
Australia (AUD)	2270.92	2286.67	0.69
Britain (GBP)	1250.12	1278.34	2.26
Canada (CAD)	2170.23	2194.75	1.13
Europe (Euro)	1468.27	1469.99	0.12
Japan (Yen)	191275.50	193561.68	1.20
Switzerland (CHF)	1629.10	1621.65	-0.46
USA (USD)	1729.80	1783.88	3.13

Silver Spot Market International (Per Troy Ounce)			
Spot Silver	01st April	28th April	% Change
Australia (AUD)	32.70	33.73	3.15
Britain (GBP)	17.99	18.86	4.79
Canada (CAD)	31.25	32.37	3.59
Europe (Euro)	21.14	21.68	2.53
Japan (Yen)	2754.70	2854.90	3.64
Switzerland (CHF)	23.46	23.92	1.95
USA (USD)	24.92	26.29	5.50

Monthly Exchange Data (Gold) (From From April 01-29)						
Exchange	Commodity	Open	High	Low	Close	% Ch.
COMEX[2]	Gold June 21	1709.00	1798.40	1706.40	1768.30	3.07
SHANGHAI –SHFE[4]	Gold June 21	357.46	378.10	357.36	373.02	4.33
MCX[1]	Gold June 21	44911.00	48429.00	44911.00	46726.00	3.99
TOCOM[3]	Gold June 21	6004.00	6249.00	6000.00	6198.00	3.11

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

Monthly Exchange Data (Silver) (From From April 01-29)							
Exchange	Commodity	Open	High	Low	Close	Previous	% Ch.
COMEX[2]	Silver July 21	24.50	26.77	24.33	26.03	24.57	5.93
MCX[1]	Silver July 21	64440.00	71500.00	64440.00	68637.00	64711.00	6.07
TOCOM[3]	Silver June 21	87.50	92.00	87.50	90.40	85.50	5.73

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

Gold Spot Market, India			Rs/10gm
Spot Gold	01st April	29th April	% chg
Ahmedabad	44741.00	47569.00	6.32
Bangalore	45154.00	46563.00	3.12
Chennai	45768.00	46569.00	1.75
Delhi	47461.00	48171.00	1.50
Mumbai	44013.00	46839.00	6.42
Hyderabad	45143.00	46534.00	3.08
Kolkata	46737.00	48243.00	3.22

Currency Change (Monthly)		
	01st April	29th April
EUR/USD	1.1775	1.2125
USD/AUD	1.3125	1.2858
USD/GBP	1.3830	1.3951
USD/INR	73.32	74.10
USD/JPY	110.60	108.90

Silver Spot Market, India			Rs/kg
Spot Silver	01st April	29th April	% chg
Mumbai	63737.00	68567.00	7.58

Bullion - Data & Statistics

LBMA Gold & Silver Price (Per Troy Ounce)

	GOLD AM			GOLD PM			SILVER			
DATE	USD AM	GBP AM	EUR AM	USD PM	GBP PM	EUR PM	DATE	USD PM	GBP PM	EUR AM
04-01-2021	1715.85	1245.54	1461.39	1726.05	1248.80	1468.52	04-01-2021	24.32	17.65	20.72
04-06-2021	1731.05	1251.90	1465.51	1744.65	1259.64	1473.53	04-06-2021	25.04	18.11	21.21
04-07-2021	1736.00	1254.78	1461.19	1738.05	1265.13	1461.70	04-07-2021	24.99	18.09	21.01
04-08-2021	1743.70	1269.24	1468.89	1755.50	1276.07	1475.67	04-08-2021	25.33	18.44	21.35
04-09-2021	1747.95	1274.78	1470.03	1741.20	1267.77	1464.70	04-09-2021	25.23	18.39	21.23
04-12-2021	1741.55	1266.46	1462.90	1732.85	1260.48	1455.42	04-12-2021	25.16	18.28	21.12
04-13-2021	1728.10	1255.64	1451.78	1747.95	1270.93	1464.26	04-13-2021	24.95	18.17	20.98
04-14-2021	1743.30	1264.59	1457.57	1735.55	1259.66	1451.44	04-14-2021	25.33	18.41	21.19
04-15-2021	1748.00	1266.43	1458.53	1757.20	1275.38	1467.26	04-15-2021	25.59	18.59	21.39
04-16-2021	1766.45	1283.68	1475.16	1774.45	1286.30	1481.13	04-16-2021	26.14	18.96	21.80
04-19-2021	1788.40	1288.01	1486.88	1774.50	1271.07	1475.50	04-19-2021	26.11	18.75	21.67
04-20-2021	1765.50	1262.16	1464.13	1777.85	1274.19	1476.33	04-20-2021	25.88	18.52	21.48
04-21-2021	1781.05	1278.97	1482.72	1798.20	1292.91	1497.18	04-21-2021	25.91	18.59	21.57
04-22-2021	1785.65	1285.31	1484.05	1787.75	1291.11	1486.34	04-22-2021	26.30	18.92	21.83
04-23-2021	1785.30	1286.84	1480.73	1781.80	1285.39	1477.29	04-23-2021	26.13	18.82	21.67
04-26-2021	1779.65	1278.68	1470.52	1773.35	1276.81	1469.22	04-26-2021	26.11	18.79	21.59
04/27/2021	1780.90	1284.21	1476.01	1784.15	1283.52	1476.74	04/27/2021	26.29	18.90	21.76
04/28/2021	1764.15	1270.89	1461.60	1772.20	1275.28	1467.91	04/28/2021	25.87	18.65	21.44
04/29/2021	1774.65	1271.71	1464.62	1762.65	1264.53	1455.95	04/29/2021	26.29	18.85	21.68

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SOVEREIGN
METALS LIMITED

Sovereign Metals Limited is in the business of refining precious metals (gold and silver) and supplying highest and most consistent quality products and related services and solution to customers at their place of convenience by leveraging its competent and customer-focused human resources, industry-leading technology infrastructure and transparent and globally compliant-sourcing practices.

Sovereign Metals Limited would pursue environmentally sustainable manufacturing practices and would strive to be a world leader in its chosen segment from India.

www.sovereignmetals.in