Mumbai Bullion Market: Price Volatility Keeps Buyers Cautious as Physical Demand Remains Moderate

Mr Rahul Mehta, Mahasiddhi Bullion LLP



Mr Rahul Mehta

Market insights from Mr Rahul Mehta, Mahasiddhi Bullion LLP

The Mumbai bullion market remains adequately supplied, although sharp price fluctuations in gold and silver have led to cautious trading sentiment, according to Mr Rahul Mehta of Mahasiddhi Bullion LLP. He noted that both metals are readily available, with no significant supply shortages or delivery constraints affecting the market.

Market sentiment has turned cautious following the recent correction in precious metal prices. Mr Rahul Mehta indicated that silver has witnessed a particularly sharp decline, which he estimated at more than 55%, creating uncertainty and some panic among market participants. The volatility in both gold and silver has made buyers increasingly hesitant to undertake substantial purchases.

Demand from Mumbai's jewellers and manufacturers remains moderate, with neither a significant improvement nor a sharp deterioration in purchasing activity. According to Mr Rahul Mehta, continued price fluctuations have restricted buying interest, while overall physical demand remains relatively subdued. The cautious approach is also reflected in seasonal purchases, with demand during Dhanteras reportedly lower than the corresponding period last year for both gold and silver.

Despite subdued demand, Mumbai's physical bullion market is currently trading at a premium. Mr Rahul Mehta attributed this to declining gold prices, changes in the duty component and limited availability from doré suppliers, which have increased reliance on bank-supplied bullion. At the time of the interaction, gold was quoted at a premium of approximately US$3 per ounce, while silver was trading at around US$1 per ounce above the prevailing benchmark.

Jewellery manufacturers with operational factories continue to purchase gold regularly to meet daily production requirements. However, broader buying activity remains restrained amid uncertain price movements. Bullion transactions are predominantly conducted on a spot-payment basis, with limited reliance on credit arrangements.

Looking ahead over the next month, Mr Rahul Mehta expects Mumbai's bullion demand to remain moderate, with no significant improvement anticipated in the immediate term. Despite the festive season, he does not foresee a substantial increase in physical buying, suggesting that price volatility and cautious purchasing behaviour will continue to influence market activity.

Source: Bullion World interaction with Mr Rahul Mehta, Mahasiddhi Bullion LLP. Premiums, demand conditions, price movements and market observations reflect the interviewee's assessment at the time of the interaction.

Delhi Bullion Market: Cautious Buying and Price Volatility Drive Selective Bullion Purchases

Ms Akansha Gupta, SMC Global Securities



Ms Akansha Gupta

Market insights from Ms Akansha Gupta, SMC Global Securities

The Delhi bullion market remains active, although price volatility and cautious purchasing behaviour continue to influence physical bullion transactions, according to Ms Akansha Gupta. While gold and silver remain available in the market, procurement at specific price levels and delivery schedules depends on prevailing conditions, making timely sourcing increasingly important during periods of heightened volatility.

Market sentiment remains cautious, with participants placing greater emphasis on price discipline and confirmed demand rather than aggressive inventory accumulation. According to Ms Akansha Gupta, jewellers and manufacturers are increasingly aligning their purchases with end-customer demand, affordability considerations and seasonal requirements. Stock turnover has also become an important factor in determining fresh bullion purchases, as businesses seek to manage their inventory exposure amid fluctuating prices.

In the physical market, gold and silver premiums or discounts continue to vary depending on local supply-demand conditions, liquidity and immediate delivery requirements. Ms Akansha Gupta noted that there is no uniform premium or discount applicable across Delhi, as quotations differ according to product specifications, transaction quantities and delivery schedules. These variations reflect changing physical market conditions and the relationship between domestic benchmark prices and local bullion availability.

Jewellers are adopting a more selective procurement strategy, concentrating on fast-moving inventory and confirmed customer orders rather than maintaining substantial additional stocks. Replenishment decisions are increasingly guided by business requirements and prevailing price levels, allowing jewellers to respond more effectively to changes in consumer demand.

Bullion transactions are conducted through different settlement arrangements depending on the counterparty, transaction value and established business relationships. While payment terms may vary, timely settlement and clearly defined transaction conditions remain important considerations for market participants.

Looking ahead over the next month, Ms Akansha Gupta maintains a cautiously constructive outlook for Delhi's bullion market. Physical demand is expected to remain sensitive to price stability, currency movements and jewellery buying trends. She believes that market participants maintaining procurement flexibility and disciplined inventory management will be better positioned to navigate volatility and respond to emerging demand opportunities.

Source: Bullion World interaction with Ms Akansha Gupta, SMC Coins. Market conditions, purchasing trends and outlook reflect the interviewee's assessment at the time of the interaction.