

JM&B Monthly Gold & Silver Report

March 2016

<http://www.johnson-matthey.ch/>

Introduction

The purpose of this report is to comment on developments in the gold and silver markets on a monthly basis. For more information about this report, please consult the Appendix. Johnson Matthey plc issues reports on platinum group metals:

http://www.platinum.matthey.com/publications/price_reports.html

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1. Commentary

Both gold and silver consolidated in price in March.

2. Gold

2.1 News and Fundamental Considerations

Selected News Items from the Month

New Delhi, 1st March 2016, (Reuters) – India's gold imports in January surged 62 percent compared with the same period last year, news agency News Rise Financial reported on Tuesday citing a government official, as the country's appetite for the precious metal continues unabated despite central duties.

India, the world's second biggest consumer of gold, shipped in 93.3 tonnes of gold in January while overseas purchases of the metal surged 25 percent to 904.2 tonnes, in the ten months to January, it said.

New Delhi's gold imports are seen hitting a more than two-year low in February, as rising prices keep buyers away, industry sources told Reuters last week.

Mumbai, 15th March 2016, (Reuters) – Indian jewellers called off a 19-day strike late on Saturday after government assured they will not be "harassed" by the excise department in collecting a new tax, the head of a trade body told Reuters.

Jewellers from the world's second-biggest gold consumer went on an indefinite strike from the start of March after government reintroduced a 1-percent excise duty on gold jewellery after four years.

"We have called off strike. From tomorrow jewellers will open shops," said Mohit Kamboj, president of India Bullion and Jewellers Association (IBJA).

"The excise duty will remain there, but the government has assured us officials from excise department will not harass jewellers," he said.

Successive governments have struggled to curb appetite for gold in Asia's third-largest economy, despite the imposition of a 10-percent import duty in 2013 and other restrictions.

Annual imports of up to 1,000 tonnes of gold, accounting for about a quarter of India's trade deficit, have also prompted the government to launch a scheme to mobilise a pool of more than 20,000 tonnes of the metal in homes and temples.

The government decided to form a committee to address jewellers' concerns, related to implementation of excise duty, Kamboj said, adding the committee will submit its report in 60 days.

The government imposed an excise duty in 2012, but was forced to roll it back after jewellers went on strike.

Jewellery sales in India have fallen since the start of the year due to higher gold prices and as consumers delayed purchases hoping for a cut in import duty in the budget. This has forced importers to offer a discount of up to \$53 per ounce to clear inventory.

But Finance Minister Arun Jaitley surprised the market on Feb. 29 by maintaining import duty and imposing excise duty.

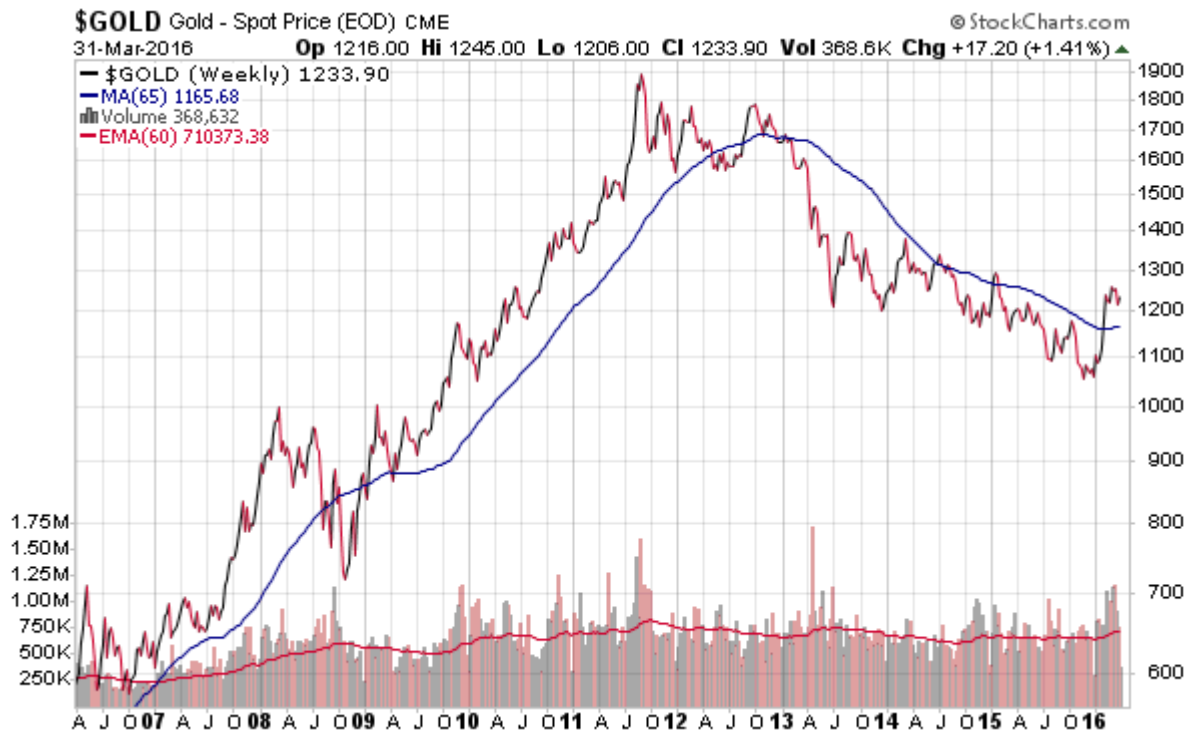
"There is lot of pent-up demand. Imports will rise from next week," said a Mumbai-based dealer with a private bullion importing bank.

India's February gold imports dropped to \$1.44 billion, from \$2.91 billion in January.

2.2 Technical Comments

Long Term Technical Comments

Gold stayed above its medium term downtrend in March:



Daily/Weekly Technical Comments

London afternoon fix in USD/toz:

Open	High	Low	Close
01.03	04.03	23.03	31.03
1237	1278	1217	1237

London afternoon fix in €/toz:

Open	High	Low	Close
01.03	07.03	23.03	31.03
1141	1158	1089	1085



A golden cross of the 50 & 200DMAs occurred in gold!

3. Silver

3.1 News and Fundamental Considerations

3.2 Technical Comments

Long Term Technical Comments

Silver was still flirting with its medium-term downtrend in March:



Daily/Weekly Technical Comments

London fix in USD/toz:

Open	High	Low	Close
01.03	18.03	02.03	31.03
14.99	15.94	14.82	15.38

London fix in €/toz:

Open	High	Low	Close
01.03	07.03	29.03	31.03
13.78	14.29	13.44	13.52



A golden cross of the 50 & 200 DMAs for silver also occurred in March.

John Fineron, 1st April 2016.

Appendix: More about this report

Purpose of the Report

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http://www.platinum.matthey.com/publications/price_reports.html

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<http://www.adobe.com/products/acrobat/readstep.html>

This report is prepared in the English language, as are the vast majority of contributions on precious metal markets.

Structure of Report

The report comprises two sections:

Fundamental Considerations

This section addresses aspects of supply and demand in gold and silver, which typically affect the market over periods of **several years**. Over the long term, the price of a commodity will rise or fall until natural supply and demand reach equilibrium. Completion of this process, can take many years and is significantly influenced by hoarding and dis-hoarding. For example, dis-hoarding of stockpiles to compensate for supply shortages can proceed over decades and thereby delay movement to a true equilibrium price.

Technical Comments

This section describes aspects of technical analysis in gold and silver, which can be used to assist in buy and sell decisions over periods of **weeks to months**. Traders often use technical analysis to trade or profit from price movements up or down. Because large traders, e.g. hedge funds, often use the same signals, price-movements are often amplified and technical signals become self-fulfilling prophecies due to the herd-mentality.

Learn more about technical analysis:

<http://stockcharts.com/education>

and the terms used:

<http://stockcharts.com/education/GlossaryA.html>

Learn more about candle charts:

<http://www.litwick.com/about.html>

All charts used are courtesy of Stockcharts.com unless otherwise stated.

Find out more about the Elliot wave principle:

<http://www.prognosis.nl/principle/index.html>

Please note that our technical comments will be purely technical in nature and will not attempt to rationalise or second-guess the reasons for price movements.

Advice on buying and selling precious metals

It is not the policy of Johnson Matthey & Brandenberger AG, to advise customers on specific buy or sell points. We are however prepared to assist customers in formulating views on precious metal markets and preparing strategies suited to their individual buying and selling needs.

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