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Coverage

Traders Stay Away from Silver on Wild Price Swings

**MADHVISALLY &
SUTANUKA GHOSAL**
AHMEDABAD | KOLKATA

Traders, jewellers and consumers are adopting a wait-and-watch policy before investing in silver. Prices of the white metal moved from ₹55,000 per kg to ₹60,000 a kg a week ago and are now at ₹58,000. Bullion dealers say jewellery makers are reluctant to buy due to this volatility. Sales could pick up by mid-August prior to Rakhi festival.

Mukesh Kothari, director of RiddiSiddhi Bullion, says the demand for silver will increase during Rakhi festival if the prices are less. "Silver is a price-sensitive commodity and we believe that the buyers are taking time to find the best price. As the price increases, demand reduces because buyers are waiting for a correction. Investors and suppliers to industries are the ones who are more active and looking forward to reap profits once it reaches new highs," said Kothari.

The marketing team at RiddiSiddhi Bullion is currently working out a promotional campaign for the Rakhi season. "Sales in July fall by 20% owing to monsoon and no festive or marriage season during that period. We expect sales to pick up in the coming days," said Parker Agro owner Soni Bharat Rati Lal. The company trades 15 to 20 tonnes in a month.

Lalit Jagawat, proprietor of Nakoda Bullion, said that during the Rakhi season people invest in silver idols, glasses and plates. "Even they buy silver rakhi for the purpose which later becomes an investment. Coins and bars are being liked by

the investors. Also, our company has introduced 1-kg silver bar purely with an investment motive," he said.

Contrary to Kothari, Jagawat feels that the current movement in silver prices has brought investors back to silver. Buyers are, however, taking cautious steps and are keenly watching the market.

At the NCDEX, silver spot (.999 fineness) at Ahmedabad was ruling at ₹58,500 per kg and in Delhi at ₹59,000 a kg, extending the run-away rally in precious metals to third week in a row at the bullion market.

The contract for September delivery was trading at ₹59,475 per kg, up 1.48%.

Traders to Stay Away from Volatile Silver

MADHVI SALLY & SUTANUKA GHOSAL
AHMEDABAD | KOLKATA

Traders, jewellers and consumers are adopting a wait-and-watch policy before investing in silver. Prices of the white metal moved from Rs 55,000 per kg to Rs 60,000 a kg a week ago and are now at Rs 58,000. Bullion dealers say jewellery makers are reluctant to buy due to this volatility. Sales could pick up by mid-August prior to Rakhi festival.

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Contrary to Kothari, Jagawat feels that the current movement in silver prices has brought investors back to silver. Buyers are, however, taking cautious steps and are keenly watching the market. At the NCDEX, silver spot (.999 fineness) at Ahmedabad was ruling at Rs 58,500 per kg and in Delhi at Rs 59,000 a kg, extending the run-away rally in precious metals to third week in a row at the bullion market. The contract for September delivery was trading at Rs 59,475 per kg, up 1.48% or Rs 868, with open interest of the contract stood at 2580 lots. The contract for December delivery was trading at Rs 60,580 per kg, down 0.04% or Rs 22, with open interest of the contract stood at 360 lots on the NCDEX.