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Coverage –

GOLD, SILVER PHYSICAL DELIVERY FALL ON PRICE HIKE

RiddhiSiddhi biggest silver buyer from MCX

Out of 2,160 kg silver bars delivered on the exchange in Dec, the dealer bought 1,500 kg

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LEADING bullion dealer RiddhiSiddhi Bullions has bought the highest quantity of silver on commodity bourse MCX at a time when high prices and volatility have reduced physical demand. Out of 2,160 kg of silver bars delivered on the exchange platform, RiddhiSiddhi Bullions purchased 1,500 kg, valued at ₹6.5 crore, this month. Total value of the delivery on the exchange at the settlement price of ₹43,308 per kg works out to be ₹9.35 crore. "We have bought 1.5 tonne of silver and 40 kg of gold on MCX in the December contracts," said Prithviraj Kothari, director, RiddhiSiddhi Bullions.

Silver deliveries on MCX have come down this calendar year from a peak of 38,970 kg in September to a low of 2,160 kg in December after the price jumped 41% from ₹30,665 a kg to ₹43,308 in the three months to December.

Gold delivery also shrank from 834 kg in October to 406 kg in December with the price rising by 7.3% over

MARKET VALUE

Total value of the delivery at the settlement price of ₹43,308 per kg works out to be ₹9.35 crore



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the period to ₹20.56 lakh a kg. Exchange data for the year so far shows that silver futures have given a return of over 64% against a 25% return by gold futures. The settlement price of silver futures has risen from ₹26,380 in March to ₹43,307 a kg in December while that of gold has gone up from ₹16.42 lakh in February to ₹20.55 lakh a kg in December. "High prices and volatility have impacted physical demand, which, in turn, has reduced deliveries on the futures platform," said Suresh Nair, director of Admisi Commodities. "But reduced deliveries have not affected trading

interest in gold and silver futures," he added. His sentiment was echoed by Naveen Mathur, associate director (commodities), Angel Broking.

That trading interest in bullion (gold and silver) has sustained despite high prices is borne out by regulatory data, which shows that while cumulative turnover of the commodity futures market rose by 53.4% to ₹72.56 lakh crore in the first eight months of the financial year (Apr-Mar), turnover of bullion jumped by 80% to Rs 32.81 lakh crore. Bullion trading accounted for the maximum turnover during the period.