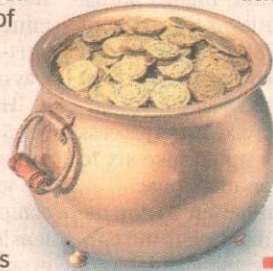


Gold is big again – for big jewellers

GOLD could shine again this Dhanteras – considered auspicious for purchases of the precious metal – on Friday, but mainly for the big players, jewellers and industry executives said on Thursday, reports Banikinkar Pattanayak in New Delhi. While small jewellers – mostly concentrated in rural areas



but catering for a bulk of the country's demand – predicted flat-to-modest rise in sales from a year before, the established ones expected sales growth in the range of 15-30%. This suggests a gradual shift in consumer choice from the unorganised to the organised sector.

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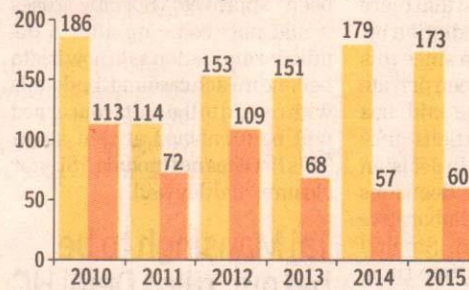
Prices have risen since last Dhanteras

MCX gold spot (₹/10g)



Festive demand remains subdued in recent years

(in tonne) Jewellery Bars & coins



Note: Data represent demand during the main festival season (Oct-Dec)
Source: World Gold Council

Gold is big again — for big jewellers

While Kalyan Jewellers — the country's second largest retail jewellery chain — has already witnessed a 20-25% rise in advance bookings in the past one week from a year earlier, both Popley Group and Anmol Jewellers estimated at least a 20% rise in sales.

Waman Hari Pethe Jewellers has witnessed a 15% rise in foot-falls over the past few days. However, some of the smaller neighbourhood jewellers in Delhi and Mumbai expect a maximum of 10% increase in their sales. The sale of coins, which made a comeback last year after lukewarm responses in the previous two years, is expected to rise again

this Dhanteras.

The expectation that gold prices could rise further, over and above a 17% jump since last Dhanteras, is driving up traffic at jewellery outlets, according to big jewellers. Consumers — who had to defer purchases due to a long strike by jewellers earlier this year — are also back in the market, improving demand, they said.

Sovereign gold coins, introduced by Prime Minister Narendra Modi on November 5 last year, will be sold at 383 outlets across the country. Apart from all MMTC outlets, the India Gold Coin will be sold at select branches of seven banks — Indian Overseas Bank, Vijaya Bank, Federal Bank, Yes Bank, Andhra Bank, ICICI Bank and HDFC Bank. The coin is available in denominations of 5 g and 10 g and there is even a 20 g bar.

“We have seen a good rise in bookings by consumers in the build-up to Dhanteras. Demand seems to be much better than last year,” said Ramesh Kalyanaraman, executive director at Kalyan Jewellers.

Rajiv Popley, director at Mumbai-headquartered Popley Group, said: “We expect sales to be quite brisk this year. People who had been deferring gold purchases are back in the market.” Ishu Dattwani, founder of Anmol Jewellers, said: “It will also be the onset of the wedding season, so there will be a good demand for both small and big-ticket items during Dhanteras and Diwali.”

However, small neighbourhood jewellers, especially in rural areas, expect not-so-good growth in sales, as the growth in rural disposable income is still subdued following two straight years of deficient monsoon through 2015. However, unlike last year, a good kharif harvest has somewhat boosted rural demand this year, although the recovery still looks fragile.