



PRECIOUS METALS WEEKLY REVIEW AND OUTLOOK

Indications only | Closing prices are bids | data source Thomson Reuters Eikon | See disclaimer below

| Weekly Price Review For The Week Ending | | | 13-Jul-18 | Date | | | 15-Jul-18 |
|--|-----------------------------------|---------------------|---------------------|--|---------------------|---------------------|-----------|
| OTC Spot Market | High Bid | Low Offer | Close | WTD Change \$ | WTD Change % | YTD Change % | |
| Gold | \$1,265.50 | \$1,237.00 | \$1,241.00 | (\$13.00) | -1.04% | -4.69% | |
| Silver | \$16.21 | \$15.69 | \$15.78 | (\$0.22) | -1.38% | -6.90% | |
| Options & Forwards | ATM Options Vols | | | Forward Swaps | | | |
| | 1 month | 3 months | 6 months | 1 month | 3 months | 6 months | |
| Gold | 9.07% | 9.56% | 9.83% | 2.20% | 2.25% | 2.50% | |
| Silver | 15.65% | 15.93% | 16.42% | 2.25% | 2.35% | 2.55% | |
| Gold Prices in Other Currencies | EUR | GBP | CNY | INR | TRY | ZAR | |
| Weekly Close | 1,062.00 | 937.00 | 8,302.00 | 84,996.00 | 6,005.00 | 22,139.00 | |
| WTD Change % | -0.47% | -0.64% | -0.30% | -1.50% | 4.84% | -1.05% | |
| YTD Change % | -2.12% | -2.80% | -2.03% | 2.24% | 21.68% | -4.13% | |
| Silver Prices in Other Currencies | EUR | GBP | CNY | INR | MXN | PEN | |
| Weekly Close | 13.50 | 23.84 | 105.57 | 1,080.77 | 297.97 | 51.54 | |
| WTD Change % | -1.24% | -0.91% | -0.62% | -1.82% | -2.06% | -1.80% | |
| YTD Change % | -4.13% | -4.25% | 21.68% | -4.94% | -0.08% | 0.99% | |
| Physical Premia | Dubai | Hong Kong | Istanbul | Mumbai | Singapore | Shanghai | |
| Gold Kg Bars Ask | \$1.25 | \$1.30 | \$0.50 | \$1.50 | \$1.50 | \$4.00 | |
| Investment & Trade Flows | ETF Holdings (fine ounces) | | | CME Open Interest (100 oz contract) | | | |
| | Weekly Close | WTD Change % | YTD Change % | Weekly Close | WTD Change % | YTD Change % | |
| Gold | 54,974,078 | -0.60% | -0.88% | 524,430 | 4.70% | 11.19% | |
| Silver | 629,249,650 | -0.74% | 0.09% | 211,071 | 3.23% | 8.90% | |

FROM THE NEWSWIRES

NEW YORK/LONDON, July 13 (Reuters) - Gold and silver prices slid to seven-month lows on Friday as the dollar rose to a two-week peak, buoyed by safe-haven purchases made in an on-going U.S.-China tariff trade war. Demand for the precious metals also waned on expectations of higher U.S. interest rates. Spot gold lost 0.5 per cent at \$1,240.90 per ounce by 1:34 p.m. EDT (1734 GMT), after earlier falling to \$1,236.58, its lowest since Dec. 12. U.S. gold futures GCv1 settled down \$5.40, or 0.4 per cent, at \$1,241.20 per ounce. Gold prices are down about 9 per cent since mid-April. Bullion is heading for a 1 per cent weekly decline. Silver fell 0.6 per cent at \$15.80 an ounce, earlier hitting \$15.67 per ounce, it's lowest since Dec. 13. The white metal is heading for a 1.2 per cent weekly drop. The U.S. dollar was little changed after peaking at a two-week high on Friday against a basket of currencies after data showing a record Chinese trade surplus, which may add fuel to U.S.-China trade tensions, spurred more investors to pile into the safety of the greenback. "We (also) have increased expectations of Fed rate increases," said Rob Haworth, senior investment strategist for U.S. Bank Wealth Management. The Fed's semi-annual report to Congress on Friday pointed to "solid" U.S. economic growth during the first half of the year, and reiterated that the U.S. central bank expected to continue to raise interest rates gradually. Higher interest rates make gold more expensive to own since bullion does not earn any interest or dividends, and costs money to store and insure. Speculators recently cut their net long position in COMEX gold to the weakest position since January 2016. "Bullish speculation is now at a new low. We are reaching a point where we may be pausing here," Haworth added. Holdings for the largest gold-backed exchange-traded-fund, New York's SPDR Gold Trust, have fallen more than 8 per cent since late April to below 26 million ounces.

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MINDEX ANALYSIS AND OUTLOOK



Gold started the week on the front foot as the price rose smartly from the previous Friday's close of \$1254 to an early high of \$1265.50 on Monday on safe haven buying as the "Trade Wars" rhetoric between the US and China intensified and the resignation of key senior figures from the UK Government due to the proposed 'soft Brexit deal' added to geo-political concerns. However this proved to be short-lived relief for the gold bulls with the yellow metal falling steadily throughout the rest of the week, as the USD rallied, to reach a fresh low for the year of \$1237 before staging a modest recovery to end a disappointing week down \$13 or 1.04% at \$1241.00 bid. While light physical buying interest from India

has emerged on the recent weakness in the gold price, this remains modest due to the monsoon season in the world's second largest gold consuming country and the close just above long term support set at \$1240 leaves gold vulnerable to fresh technical weakness in the week ahead with a clear break and close below this key chart point setting up a potential fall towards \$1215.

As ever silver followed the same trading pattern as gold last week with the price posting an early high of \$16.21 on Monday before falling more than 3% to a low of \$15.69 by Friday amid technical momentum selling on the break back below the key \$16 level. Although the industrial precious metal staged a modest recovery to end at \$15.78, this still represented a loss of 22 cents or 1.38% and chart watchers will be expecting a technical assault on key long-term support located at \$15.70 in the week ahead with a clear break targeting \$15. If this move does happen it will be interesting to see how ETF investors and the physical markets in India react.



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