



## PRECIOUS METALS WEEKLY REVIEW AND OUTLOOK

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Weekly Price Review For The Week Ending			15-May-18			Date			16-May-18		
<b>OTC Spot Market</b>	<b>High Bid</b>	<b>Low Offer</b>	<b>Close</b>	<b>WTD Change \$</b>	<b>WTD Change %</b>	<b>YTD Change %</b>					
Gold	\$1,325.75	\$1,304.50	\$1,318.00	\$3.50	0.27%	1.23%					
Silver	\$16.83	\$16.32	\$16.62	\$0.14	0.85%	-1.95%					
<b>Options &amp; Forwards</b>	<b>ATM Options Vols</b>			<b>Forward Swaps</b>							
	<b>1 month</b>	<b>3 months</b>	<b>6 months</b>	<b>1 month</b>	<b>3 months</b>	<b>6 months</b>					
Gold	9.14%	9.89%	10.81%	2.05%	2.20%	2.30%					
Silver	15.79%	17.20%	17.95%	2.00%	2.20%	2.35%					
<b>Prices in Other Currencies</b>	<b>EUR</b>	<b>GBP</b>	<b>CNY</b>	<b>INR</b>	<b>TRL</b>	<b>ZAR</b>					
Gold	1,103.00	973.00	8,345.00	88,798.00	5,683.00	16,140.00					
YTD Change %	1.66%	0.93%	-1.52%	6.81%	15.16%	0.28%					
	<b>EUR</b>	<b>GBP</b>	<b>CNY</b>	<b>INR</b>	<b>MXN</b>	<b>PEN</b>					
Silver	13.91	24.54	105.26	1,120.02	322.74	54.08					
YTD Change %	0.28%	-4.53%	15.16%	-2.15%	3.55%	5.27%					
<b>Physical Premia</b>	<b>Dubai</b>	<b>Hong Kong</b>	<b>Istanbul</b>	<b>Mumbai</b>	<b>Singapore</b>	<b>Shanghai</b>					
Gold Kg Bars Ask	\$0.75	\$1.00	\$0.75	\$1.00	\$1.00	\$8.00					
<b>Investment &amp; Trade Flows</b>	<b>ETF Holdings</b>			<b>CME Open Interest</b>							
	<b>Weekly Close</b>	<b>WTD Change %</b>	<b>YTD Change %</b>	<b>Weekly Close</b>	<b>WTD Change %</b>	<b>YTD Change %</b>					
Gold	58,073,723	0.19%	4.71%	506,316	1.85%	7.35%					
Silver	631,046,259	-0.58%	0.37%	198,275	2.37%	2.30%					

### FROM THE NEWSWIRES

NEW YORK/LONDON, May 11 (Reuters) - Gold was flat on Friday, headed for its first weekly gain in four weeks, as the dollar weakened and investors grew a bit less confident about prospects that the Federal Reserve would raise interest rates three more times in 2018. Spot gold was unchanged at \$1,321 per ounce by 1:43 p.m. EDT (1743 GMT). During the session it touched its highest since April 25 at \$1,325.96, nudging its 100-day moving average of \$1,326. It was up 0.5 per cent for the week so far. U.S. gold futures GCc1 for June delivery settled down \$1.60, or 0.1 per cent, at \$1,320.70 per ounce. "Geopolitical risks in the Middle East, a weaker dollar and softer Treasury yields are giving gold a temporary boost," said Walter Pehowich, executive vice president of investment services at Dillon Gage Metals. The dollar fell for a third day on Friday against a basket of currencies. While the 10-year U.S. Treasury yield rose slightly, it remained below 3 per cent. Bond market investors remain confident the Fed will hike rates in June, but less sure of prospects for rate hikes in September and December. A weaker dollar makes gold more attractive for investors using other currencies. Fewer U.S. interest rate hikes would lower the opportunity cost of holding non-interest bearing bullion. St. Louis Federal Reserve Bank President James Bullard said aggressive rate increases would risk nipping off U.S. business investment. Gold price consolidation above resistance at the 100-day moving average might be a catalyst for more gains, MKS PAMP trader Tim Brown said. Capital Economics' Simona Gambarini said the likelihood of three more Fed interest rate hikes this year would probably pressure gold prices into ending 2018 at \$1,300. Gold is considered a safe asset in uncertain times, but traders said tensions in the Middle East provided limited support now. "Geopolitical concerns are still a concern but investors aren't paying significant attention," Think Markets chief markets analyst Naeem Aslam said. "The dollar story is more prominent." A summit between the United States and North Korea to be held in Singapore eased fears of conflict. Silver was up 0.3 per cent at \$16.72 an ounce, above its 100-day moving average and nearing its 200-day moving average to \$16.84. It was at 2-1/2-week highs, set for a weekly gain of 1.3 per cent.

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Gold started the first half of the week on the back foot with the price falling to a low point of \$1304.50 by Wednesday as the dollar strengthened to its highest levels of 2018 and 10 year US Treasury yields rose above 3%p.a. However the (expected) decision by President Trump to withdraw the US from the Iran nuclear deal combined with benign PPI and CPI inflation data to spark a wave of technical and safe haven buying in gold that saw the price spike to a high of \$1325.75 on Friday before easing back to end with a pared \$3.50 or 0.27% gain at \$1318.00

bid. In last week's report we had predicted a rally towards the 100 day moving average, now set at \$1326 and this proved to be an accurate call, now looking to the week ahead we can expect the usual push/pull between geo-political concerns and the probability of another interest rate hike by the Fed next month and as a result we expect a further period of range trading between the 200 day MA pegged at \$1306 and the 100 day MA. Play the range but cover the break!

Silver tracked gold lower at the start of the week with the price falling to \$16.32 on Tuesday before staging an impressive 3% rally to a high of \$16.83 by Friday with a late sell-off seeing the industrial precious metal end the week with a solid 14 cents or 0.85% gain at \$16.62 bid. Chart watchers will have mixed views on last week's price action with some encouraged by the rally up through the 100 day MA at \$16.67 and 200 day MA at \$16.79 while others were disappointed by the close back below these two long term points of resistance. A wait and see approach is now preferred until the 'battle of the moving averages' is concluded one way or the other, although we do see an eventual break out on the upside with \$17.50 the initial target.



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