



## PRECIOUS METALS WEEKLY REVIEW AND OUTLOOK

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Weekly Price Review For The Week Ending				Date		
03-Aug-18				05-Aug-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	\$1,228.25	\$1,204.50	\$1,213.00	(\$10.00)	-0.82%	-6.84%
Silver	\$15.61	\$15.23	\$15.38	(\$0.08)	-0.52%	-9.26%
<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	9.00%	9.39%	9.67%	2.10%	2.20%	2.35%
Silver	15.00%	15.76%	16.10%	2.00%	2.20%	2.35%
<b>Gold Prices in Other Currencies</b>	<b>EUR</b>	<b>GBP</b>	<b>CNY</b>	<b>INR</b>	<b>TRY</b>	<b>ZAR</b>
Weekly Close	1,049.00	932.00	8,287.00	83,141.00	6,162.00	21,640.00
WTD Change %	0.00%	-0.11%	-0.49%	-0.90%	3.96%	-0.48%
YTD Change %	-3.32%	-3.32%	-2.21%	0.01%	24.86%	-6.29%
<b>Silver Prices in Other Currencies</b>	<b>EUR</b>	<b>GBP</b>	<b>CNY</b>	<b>INR</b>	<b>MXN</b>	<b>PEN</b>
Weekly Close	13.29	23.64	105.06	1,054.14	285.30	50.20
WTD Change %	0.28%	0.34%	-0.18%	-0.58%	-0.86%	-0.53%
YTD Change %	-6.29%	-4.72%	24.86%	-5.74%	-2.54%	-0.36%
<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	\$1.00	\$1.25	\$1.00	\$1.50	\$0.75	\$3.00
<b>Investment &amp; Trade Flows</b>	<b>ETF Holdings (fine ounces)</b>			<b>CME Open Interest (100 oz contract)</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	54,704,930	-0.60%	-1.36%	461,107	-1.33%	-2.24%
Silver	631,375,815	-0.05%	0.43%	205,765	-5.85%	6.16%

### FROM THE NEWSWIRES

NEW YORK/LONDON, Aug 3 (Reuters) - Gold rallied 1 per cent on Friday, after falling to the lowest in nearly 17 months when weaker-than-expected U.S. jobs data pushed the dollar lower and a move by the Chinese central bank lifted its currency. Spot gold was up 0.60 per cent at \$1,214.79 an ounce by 2:02 p.m. EDT (1802 GMT), after rallying 1 per cent to \$1,220.01. Earlier it dropped to \$1,204, the lowest since March 15, 2017. The dollar index <.DXY> turned negative after data showed U.S. job growth slowed more than expected in July. Earlier, the dollar had climbed to a two-week high against a basket of major currencies and scaled a 14-month peak versus the Chinese Yuan. China's offshore Yuan also reversed, rising sharply after its central bank acted to curb short selling of the currency. Spot gold, which was on track to close the week down 0.3 per cent, its seventh weekly decline in the past eight, may fall toward the next support at \$1,194, as it has resumed its downtrend from \$1,309.30, according to Reuters technical analyst Wang Tao. "Gold is getting cheap and positioning wise; that should be a reason for bottoming out. The shorts are relatively big," said Georgette Boele, commodity strategist at ABN AMRO in Amsterdam, adding that speculators will probably want to test the \$1,200 level. Weighing on the market was a report by the World Gold Council showing that global demand fell 6 per cent in the first half of the year to the lowest for the period since 2009. "As long as the dollar remains strong – we believe another couple of months – demand should stay soft and prices should trade rather range-bound," Julius Baer analyst Carsten Menke said in a note. Among other precious metals, silver rose 0.7 per cent to \$15.41 an ounce, but was on track to close the week lower for the eighth straight week. Platinum climbed 0.8 per cent to \$828.99 an ounce, set to finish the week up 0.4 per cent, its strongest since late May. Palladium dipped 0.1 per cent to \$910.75 an ounce, on track to close the week down 0.8 per cent.

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Contact us: Suite 204, 2nd Floor, The Catalyst, Silicon Avenue, 40 Cybercity, 72201, Ebène, Republic of Mauritius



## MINDEX ANALYSIS AND OUTLOOK



Gold had a low key start to the week with the price floating up to a high of \$1228.25 by Tuesday on light physical demand before resuming its two month long downtrend to reach a 17 month low of \$1204.50 on Friday following the latest FOMC meeting, that left interest rates unchanged but adopted fairly hawkish language in their press release, and ahead of US employment data for July. This proved to be disappointing with Non-Farm Payrolls coming in at 157,000 versus market expectations of 195,000, prompting a smart rally in gold back to \$1220 before easing into the close to end down \$10 or 0.82% at \$1213.00 bid. Looking ahead to what could be a big week for gold it seems to be almost inevitable that short-term specs, that have

built record short positions on the COMEX, will try to push gold down through key long-term support set at \$1205 and the psychologically important \$1200 level knowing that the next main point of support is located at \$1150. However if the yellow metal is able to withstand the anticipated attack from the bears and maintain a foothold above \$1205 on a closing basis, and Trade Wars between the US and China intensifies, there is clear potential for a short covering rally towards \$1235 and beyond.

As ever Silver tracked gold's movements with the price rallying to a high of \$15.61 by Tuesday before falling to a low of \$15.23 following the FOMC meeting and then bouncing into the close to end with a marginal 8 cents or 0.32% loss at \$15.38 bid as a number of the short term speculators on the COMEX booked profits. Silver is now hovering just above a key band of long-term technical support located between \$15.25 and \$15.00 and the scope for further downside weakness is looking increasingly limited. If gold is able to withstand the anticipated foray towards \$1200 in the coming week and is able to reverse direction we would expect silver to stage a sustained recovery towards \$16 in the near term.



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