



PRECIOUS METALS WEEKLY REVIEW AND OUTLOOK

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Weekly Price Review For The Week Ending			31-Aug-18	Date			02-Sep-18
OTC Spot Market	High Bid	Low Offer	Close	WTD Change \$	WTD Change %	YTD Change %	
Gold	\$1,214.25	\$1,196.25	\$1,200.75	(\$4.50)	-0.37%	-7.78%	
Silver	\$14.99	\$14.46	\$14.50	(\$0.30)	-2.03%	-14.45%	
Options & Forwards	ATM Options Vols			Forward Swaps			
	1 month	3 months	6 months	1 month	3 months	6 months	
Gold	9.50%	9.39%	9.67%	2.20%	2.25%	2.45%	
Silver	16.00%	15.76%	16.10%	2.15%	2.25%	2.50%	
Gold Prices in Other Currencies	EUR	GBP	CNY	INR	TRY	ZAR	
Weekly Close	1,035.00	926.00	8,201.00	85,250.00	7,826.00	21,349.00	
WTD Change %	-0.19%	-1.28%	0.00%	1.08%	8.11%	-0.62%	
YTD Change %	-4.61%	-3.94%	-3.22%	2.54%	58.58%	-7.55%	
Silver Prices in Other Currencies	EUR	GBP	CNY	INR	MXN	PEN	
Weekly Close	12.50	22.36	99.04	1,029.50	276.52	47.86	
WTD Change %	-1.81%	-2.95%	-1.63%	-0.57%	-1.09%	-1.75%	
YTD Change %	-7.55%	-10.18%	58.58%	-10.85%	-4.82%	0.13%	
Physical Premia	Dubai	Hong Kong	Istanbul	Mumbai	Singapore	Shanghai	
Gold Kg Bars Ask	\$0.50	\$1.30	\$1.00	\$1.00	\$1.30	\$7.00	
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	53,411,874	-0.47%	-3.69%	469,839	-2.80%	-0.38%	
Silver	631,123,135	0.12%	0.39%	212,641	-10.63%	9.71%	

FROM THE NEWSWIRES

NEW YORK/LONDON, Aug 31 (Reuters) - Gold ticked higher on Friday despite a stronger dollar, as investors worried about an escalation in the U.S.-China trade dispute after fresh threats by U.S. President Donald Trump, though bullion was still headed for its fifth straight monthly decline. Spot gold gained 0.1 per cent at \$1,200.70 per ounce by 1:34 p.m. EDT (1734 GMT) for a rise of about 4 per cent from the 19-month low of \$1,159.96 hit on Aug. 16. Gold prices are down nearly 2 per cent in August, shedding more than 7 per cent this year. Trump is prepared to ramp up a trade war with China and has told aides he was ready to impose tariffs on \$200 billion more in Chinese, Bloomberg reported on Thursday. "Trump's plans have had a significant impact on sentiment and the slightly weaker dollar is supporting gold," said Peter Fertig, analyst at Quantitative Commodity Research, adding that the emerging-market currency crisis was also supporting gold. But safe-haven demand for gold overshadowed its relationship with the greenback on Friday, traders said. However, the prospect of higher U.S. interest rates next month and again before the end of the year is a negative. Higher U.S. rates raise the opportunity cost of holding gold, which yields no interest and costs money to store and insure. This is why many investors have sold their gold holdings, shown in exchange-traded funds (ETFs). "The on-going outflows from ETFs, record-high speculative shorts and upbeat U.S. economic data are still the major headwinds for gold and signify the recovery might be short-lived," said Religare Securities analyst Sugandha Sachdeva. Silver fell 0.4 per cent to \$14.48 an ounce, down close to 2 per cent for the week and more than 6 per cent for the month, its lowest monthly close since November 2016. Palladium rose 1.8 per cent to \$982.60 per ounce, ending the week up and closing August up more than 5 per cent, its highest monthly close since January 2017. Platinum shed 0.6 per cent to \$784.20 per ounce, and was headed for a monthly close of more than 5 per cent lower.

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MINDEX ANALYSIS AND OUTLOOK



After staging an impressive recovery from the recent slide to a 17-month low of \$1160.50, gold's ability to reclaim a foothold back above \$1200 generated a bout of short covering by the fast money speculators with the price approaching our technical target of \$1215 to reach a high of \$1214.25 on Tuesday. However progress in trade talks between the US and Mexico, rising US bond yields and a firmer USD weighed on the yellow metal as it slipped back to a low for the week of \$1196.25 on Thursday. A breakdown in discussions between the US and Canada and a threat by President Trump to withdraw from the WTO prompted a sharp bounce back to \$1208 on Friday before gold ended an erratic week down \$4.50 or 0.37% at \$1200.75 bid. With a

number of conflicting influences including the probability of a Fed rate hike in September, Trade Wars between the US and China, Canada and the Eurozone, on-going turmoil in emerging markets currencies and the apparent preference for a weaker dollar at the White House, gold looks set for a period of erratic and nervous trading within technical parameters set by support at \$1185 and \$1215 before a fresh trend emerges. Play the range but cover the break.

Silver tracked gold higher at the start of the week with the price making a pass at the pivotal \$15 level with a high of \$14.99 touched on Tuesday. However the respite from the steep 15% decline recorded over the summer was brief as fresh selling emerged to drive silver to a low point of \$14.46 on Thursday before ending another disappointing week down 30 cents of 2.03% at \$14.50 bid. The close was right on a key point of long term support and any weakness in gold at the start of the new week could well see the industrial metal fall towards the next main chart point pegged at \$14.00. Despite the 15% decline in value so far in 2018 it is interesting to note that investors continue to 'keep the faith' in silver with ETF holdings virtually unchanged, supporting the belief that once the US led global trade spat is over silver's decent demand versus supply fundamentals will lead to higher prices.



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