



## PRECIOUS METALS WEEKLY REVIEW AND OUTLOOK

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| Weekly Price Review For The Week Ending  |                                   |                     | 12-Oct-18           | Date                                       |                     |                     | 13-Oct-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                                     | \$1,226.25                        | \$1,183.50          | \$1,217.50          | \$15.00                                    | 1.25%               | -6.49%              |           |
| Silver                                   | \$14.70                           | \$14.23             | \$14.55             | (\$0.04)                                   | -0.27%              | -14.16%             |           |
| <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                                     | 10.50%                            | 9.85%               | 10.25%              | 2.35%                                      | 2.70%               | 2.72%               |           |
| Silver                                   | 17.40%                            | 17.25%              | 17.65%              | 2.45%                                      | 2.72%               | 2.78%               |           |
| <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                             | 1,053.00                          | 925.00              | 8,423.00            | 89,610.00                                  | 7,147.00            | 21,794.00           |           |
| WTD Change %                             | 0.96%                             | 0.98%               | 2.00%               | 1.03%                                      | -3.24%              | 1.59%               |           |
| YTD Change %                             | -2.95%                            | -4.05%              | -0.60%              | 7.79%                                      | 44.82%              | -5.62%              |           |
| <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                             | 12.58                             | 22.12               | 100.67              | 1,070.95                                   | 274.26              | 48.51               |           |
| WTD Change %                             | -0.63%                            | -0.49%              | 0.47%               | -0.49%                                     | -0.10%              | 0.18%               |           |
| YTD Change %                             | -5.62%                            | -8.70%              | 44.82%              | -11.80%                                    | -17.63%             | -11.57%             |           |
| <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                         | \$0.25                            | \$1.50              | \$0.50              | (\$6.00)                                   | \$1.20              | \$8.00              |           |
| <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                                     | 52,953,350                        | 0.38%               | -4.52%              | 478,157                                    | 2.10%               | 1.38%               |           |
| Silver                                   | 636,188,600                       | -0.28%              | 1.19%               | 199,619                                    | -0.76%              | 2.99%               |           |

### FROM THE NEWSWIRES

BENGALURU, Oct 12 (Reuters) - Gold prices eased on Friday, the session after their biggest daily gain in more than two years, coming under pressure as the U.S. dollar climbed and global stocks rebounded from a six-day rout. Spot gold was down 0.5 per cent at \$1,217.81 an ounce by 13:55 p.m. EDT (1755 GMT). On Thursday, bullion jumped about 2.5 per cent on safe-haven buying during an equities selloff. Thursday's peak of \$1,226.27 was the highest since July 31. Spot gold was on track for its biggest weekly gain in seven weeks, up about 1.3 per cent for the week. The dollar index .DXY rose as global equities rebounded from a multiday selloff, boosted by strong export data in China. "Event-driven rallies usually don't last long," said George Gero, managing director at RBC Wealth Management, adding that a rebound in equities was one of the main factors weighing on gold. "We need more (ammunition) for gold to move further as it has been very well abandoned with only a few central banks buying besides some retail buyers." Gold remains down about more than 10 per cent from its April peak, pressured by a strong dollar as the U.S.-China trade war unfolds while the Federal Reserve has raised U.S. interest rates. The Fed hiked rates last month for the third time this year and is expected to raise them again in December. "Gold is going to be dictated by the U.S. Federal Reserve. As long as interest rates continue to move higher, it's going to continue to apply a lot of downward pressure on the precious complex," RJO Futures' Turro said. During Thursday's surge, bullion broke above the narrow trading range of the past 1-1/2 months. "Gold is trading fairly close to the 100-day moving average at \$1,228. In other precious metals, palladium fell over 1 per cent to \$1,065.72. The metal rose to its highest since Jan. 26. at \$1,096.80 in the previous session. Silver was up 0.1 per cent at \$14.57 and platinum fell 0.7 per cent to \$833.49, hovering below the previous session's more than two-month high of \$843.90.

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## MINDEX ANALYSIS AND OUTLOOK



Gold has a surprisingly soft start to the week with the price falling back below the pivotal \$1200 level to reach a low point of \$1183.50 by Tuesday as the USD pushed higher and speculators on the COMEX added to massive short positions in the wake of rising US bond yields. However the yellow metal then staged a savage about turn with the price surging by over 3.50% on safe haven buying to a high of \$1226.25 by Thursday amid weakness in the USD, a steep decline in US bond yields and a collapse in global equity markets following warnings from the IMF about the potentially negative impact of Trade Wars between the US and China on global growth, explicit criticism of the Fed's interest rate policy by President Trump and concerns about the impact of Italy's fiscal woes on

the Eurozone. Gold eased back on Friday as calm was restored in global equity markets to end the week with a pared, but nevertheless impressive, \$15 or 1.7% gain at \$1217.50, and importantly above key resistance set at \$1215 that has capped any rallies over the last two months. Looking ahead to next week we expect to see some early profit taking in gold that could push the price back towards \$1200 if global financial markets continue to stabilize but the brutal nature of gold's sudden rally will make the shorts think again and chart watchers will now have the 100 day moving average pegged at \$1228 on their radar screens.

Silver also had a difficult start to the week with the price falling back from the previous Friday's close of \$14.59 to reach a low of \$14.23 on Wednesday as the industrial precious metal suffered from the IMF's warning about global economic growth with its negative implications for physical demand. The price then staged a violent 3.3 % rally on the back of gold to reach a high for the week of \$14.70 bid before easing back to end a volatile week with a modest 4 cents or 0.27% decline at \$14.55 bid, a disappointing performance given gold's solid advance. This suggests that any weakness in the gold price at the start of the week could see silver fall back towards the key area of long term technical support located between \$14.25 and \$13.75, which fundamental traders would surely see as a good long term buying opportunity.



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