



PRECIOUS METALS WEEKLY REVIEW AND OUTLOOK

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Weekly Price Review For The Week Ending			14-Dec-18	Date			15-Dec-18
OTC Spot Market	High Bid	Low Offer	Close	WTD Change \$	WTD Change %	YTD Change %	
Gold	\$1,250.00	\$1,232.75	\$1,239.00	(\$8.50)	-0.68%	-4.84%	
Silver	\$14.80	\$14.46	\$14.56	(\$0.05)	-0.34%	-14.10%	
Options & Forwards	ATM Options Vols			Forward Swaps			
	1 month	3 months	6 months	1 month	3 months	6 months	
Gold	8.75%	10.10%	10.75%	2.90%	2.80%	2.80%	
Silver	17.25%	18.75%	19.25%	3.05%	3.05%	3.05%	
Gold Prices in Other Currencies	EUR	GBP	CNY	INR	TRY	ZAR	
Weekly Close	1,094.00	983.00	8,549.00	89,033.00	6,639.00	22,224.00	
WTD Change %	-0.18%	0.31%	-0.31%	0.71%	0.36%	-0.50%	
YTD Change %	0.83%	1.97%	0.89%	7.09%	34.53%	-3.76%	
Silver Prices in Other Currencies	EUR	GBP	CNY	INR	MXN	PEN	
Weekly Close	12.88	23.14	100.58	1,047.44	294.58	48.68	
WTD Change %	0.31%	0.78%	0.11%	1.14%	-0.51%	-1.04%	
YTD Change %	-3.76%	-8.78%	34.53%	-7.74%	-11.53%	-11.26%	
Physical Premia	Dubai	Hong Kong	Istanbul	Mumbai	Singapore	Shanghai	
Gold Kg Bars Ask	\$0.50	\$1.50	\$0.50	(\$4.00)	\$0.60	\$6.50	
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	54,299,203	0.84%	-2.09%	398,842	-2.27%	-15.44%	
Silver	625,201,429	-0.26%	-0.56%	173,954	-3.29%	-10.25%	

FROM THE NEWSWIRES

BENGALURU, Dec 14 (Reuters) - Gold fell to its lowest in over a week on Friday and was on track to mark its biggest weekly decline in more than a month, as the dollar climbed on robust U.S. economic data ahead of a U.S. Federal Reserve meeting next week. Spot gold fell 0.4 per cent to \$1,237.60 per ounce as of 1:41 p.m. EST (1841 GMT). Earlier in the session, prices hit their lowest since Dec. 4 at \$1,232.39. The yellow metal is down about 0.8 per cent so far this week. The dollar rose to a 19-month high after data showed U.S. consumer spending appeared to gather momentum while industrial production rebounded in November. "The strength of the dollar has weighed across the complex. The key driver (of prices) in the next few sessions is going to be the markets' expectations for the Fed," said Suki Cooper, precious metals analyst at Standard Chartered Bank. Markets are awaiting the Federal Open Market Committee (FOMC) meeting on Dec. 18-19, at which the U.S. central bank is widely expected to raise interest rates. The focus, however, would be on the outlook for 2019. Gold prices rose to a five-month peak of \$1,250.55 an ounce on Monday, but have given up all the gains as the dollar strengthened against a basket of major currencies. "With China's economy slowing, along with Germany and parts of the European Union, one would expect interest in the gold market," Walter Pehowich, executive vice president of investment services at Dillon Gage Metals, wrote in a note. "But with the dollar being so strong ... it's going to take a major news story to bring the price of gold back in favour with investors." Among other precious metals, spot palladium was down 1.9 per cent at \$1,236.50 per ounce, after hitting an all-time high of \$1,269.25 on Thursday. Despite Friday's drop, the metal was on track to mark its third week of gains with prices up about 1 per cent so far this week. "The palladium market is still set to be in deficit in 2019, but you could see some profit-taking and some concerns over the auto market weighing on the palladium prices into the year end," Standard Chartered Bank's Cooper said. Silver fell 1.2 per cent to \$14.58 per ounce. Platinum was down 0.7 per cent at \$787.70 per ounce and was set to post a sixth straight weekly decline.

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MINDEX ANALYSIS AND OUTLOOK



As so often the case in 2018 gold posted its weekly high or low on the first day of the week and the opposite on the following Friday. This time it was the bulls turn to be disappointed with gold trading at a peak of \$1250 in early trading on Monday before falling back to touch a low of \$1232.75 on the final session in the wake of robust US consumer spending that boosted the .DXY to a 19 month high. A late bout of short covering into the close amid weakness in global equity markets saw the yellow metal end down \$8.50 or 0.68% at \$1239.00 bid, in the middle of a technical trading range bounded by resistance from the 200 day moving average set at \$1254 and

support from the 50 day MA pegged at \$1224. All eyes in the coming week will be on the final FOMC meeting of 2018 with the Fed widely expected to raise its benchmark interest rate by 25 basis points to 2.50%. In theory this should be negative for gold, and we can expect some downward pressure ahead of Wednesday's announcement. However there seems to be enough geo-political and financial markets concerns to generate investor safe haven buying in gold, as evidenced by last week's 454,000 ounces, or \$567 Mio, ETF inflows and a switch from short to long by speculators on the Comex. Our conclusion is that in the final two weeks trading gold is likely to remain within the well defined \$30 chart points referred to above but with price volatility becoming increasingly erratic in ultra-thin pre-year end markets.

For once silver danced to its own tune last week with the industrial precious metal rising steadily from a low of \$14.46 posted in early trading on Monday to reach a high point of \$14.80 by Thursday before reversing back to end the week with a pared loss of 5 cents or 0.34% at \$14.56 bid. Although silver's performance was disappointing after the previous week's 3% advance, chart watchers will take comfort from the fact the close was above the 100 day moving average, now pegged at \$14.54, and if silver can maintain a foothold above this key long term point of chart support we could see a positive end to a very difficult year that would set up a sustained recovery in 2019.



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