



PRECIOUS METALS WEEKLY REVIEW AND OUTLOOK

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Weekly Price Review For The Week Ending			04-Jan-19	Date	05-Jan-19	
OTC Spot Market	High Bid	Low Offer	Close	WTD Change \$	WTD Change %	YTD Change %
Gold	\$1,298.25	\$1,276.75	\$1,284.75	\$4.25	0.33%	0.18%
Silver	\$15.87	\$15.32	\$15.69	\$0.45	2.95%	1.36%
Options & Forwards	ATM Options Vols			Forward Swaps		
	1 month	3 months	6 months	1 month	3 months	6 months
Gold	10.60%	11.45%	11.90%	2.70%	2.75%	2.75%
Silver	17.60%	19.00%	20.20%	2.75%	2.85%	2.90%
Gold Prices in Other Currencies	EUR	GBP	CNY	INR	TRY	ZAR
Weekly Close	1,127.00	1,009.00	8,822.00	89,347.00	6,850.00	22,947.00
WTD Change %	0.71%	0.10%	0.19%	-0.21%	1.32%	0.44%
YTD Change %	0.81%	0.40%	0.07%	0.18%	1.03%	0.21%
Silver Prices in Other Currencies	EUR	GBP	CNY	INR	MXN	PEN
Weekly Close	13.77	24.64	107.74	1,091.15	304.72	52.44
WTD Change %	2.68%	2.07%	2.15%	1.74%	1.08%	1.44%
YTD Change %	0.21%	2.15%	1.03%	2.07%	1.08%	1.44%
Physical Premia	Dubai	Hong Kong	Istanbul	Mumbai	Singapore	Shanghai
Gold Kg Bars Ask	\$0.00	\$1.50	\$0.50	(\$6.00)	\$1.50	\$8.00
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	55,784,183	0.70%	0.70%	457,846	2.10%	1.33%
Silver	617,282,459	0.01%	0.01%	179,291	2.85%	1.78%

FROM THE NEWSWIRES

BENGALURU, Jan 4 (Reuters) - Gold fell on Friday, pulling back from a more than six-month peak hit earlier in the session, as robust U.S. jobs data eased some concerns about an ailing economy, while palladium prices punched through the key \$1,300 level for the first time. Spot gold slipped 0.8 per cent to \$1,283.86 per ounce as of 1:55 p.m. EST (1855 GMT), after dropping to \$1,276.40. The metal was however on track for a third straight weekly gain, up about 0.2 per cent so far, mainly helped by recent strong gains. It touched its highest level since mid-June at \$1,298.42 earlier in the day. "Industrial commodities and currencies have rebounded therefore the precious metals which have been the safe haven such as gold, silver have retraced today," said David Meger, director of metals trading at High Ridge Futures. "That is exacerbated by a stronger-than-expected payrolls data." Data showed U.S. employers hired the most workers in 10 months in December, suggesting a sustained strength in the economy that could soothe concerns of sharp slowdown in growth. "Today's U.S. jobs report throws more uncertainty into the direction of Federal Reserve monetary policy, which had already been seen as murky," Jim Wyckoff, senior analyst at Kitco Metals, wrote in a note. Fed Chairman Jerome Powell on Friday moved to mollify financial markets concerned about a U.S. economic slowdown, saying that while momentum is solid, the central bank will be sensitive to the downside risks the market is pricing in. Powell's remarks sent investors into riskier assets like stocks, which rallied amid hopes of upcoming trade talks between United States and China, further pressuring bullion. Elsewhere, palladium prices rose nearly 2 per cent to \$1,288.49 per ounce, having hit a record high of \$1,310 earlier. "Palladium has broken out to the upside on tight supply, increasing demand, a weaker dollar," said Phil Streible, senior commodities strategist at RJO Futures in Chicago. Platinum also jumped 2.8 per cent to \$820.30, after touching \$823.50 an ounce, its highest price since Nov. 29. "Platinum followed surprisingly as fresh fund money emerged for the New Year as prices have been so depressed for so long," said Walter Pehowich, executive vice president of investment services at Dillon Gage Metals. Silver eased 0.4 per cent to \$15.68 per ounce, having earlier hit \$15.87, its highest level since mid-July.

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MINDEX ANALYSIS AND OUTLOOK



Gold started the New Year where it had left off in 2018 with a strong rally to reach a six months high of \$1298.25 on Friday amid further turmoil in global financial markets in the face of the stand-off between President Trump and Congress over funding for the proposed US/Mexico border wall, on-going concerns about US/China trade wars and the impending Brexit vote in the UK. However with the yellow metal seemingly poised to make a move up through the pivotal \$1300 level, the best US jobs data for 10 months released on Friday sparked a sharp rally in the DJIA and the USD and a

corresponding sell off in gold that saw the price fall to a low of \$1276.75 before recovering into the close to end the first trading week of the year up a modest \$4.25 or 0.33% at \$1284.75 bid. The late rally was due in part to dovish comments by Fed Chairman Powell and it seems that the Fed’s approach to monetary policy will remain a key focus for global financial markets in 2019. Looking ahead to next week all eyes will be on trade talks in Beijing between China and the US with any kind of positive breakthrough likely to be positive for equities and industrial metals and negative for gold. Looking at the charts a band of stiff resistance between \$1300 and \$1325 should cap the upside while any downside correction in price will find strong support from the 200 day moving average set at \$1250 with these technical parameters likely to set the near term trading range.

Silver also picked up where it had left off in 2018 with another strong performance as the price surged from a low of \$15.32 on Wednesday to a six month high of \$15.87 on Friday before falling back to end with an impressive 45 cents or 2.95% gain at \$15.69 bid. Having had a difficult time for most of 2018, the industrial precious metal had strong December and seems set to make an early pass at the key \$16 level with a clear break targeting \$16.50. Could this at last be silver’s year?



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