



## PRECIOUS METALS WEEKLY REVIEW AND OUTLOOK

Indications only | Closing prices are bids | Data source Thomson Reuters Eikon | Charts by Netdania / See disclaimer below

| Weekly Price Review For The Week Ending |                            |              | 21-Jun-19    | Date                                | 23-Jun-19    |              |
|---|----------------------------|--------------|--------------|-------------------------------------|--------------|--------------|
| OTC Spot Market                         | High Bid                   | Low Offer    | Close        | WTD Change \$                       | WTD Change % | YTD Change % |
| Gold                                    | \$1,410.50                 | \$1,338.50   | \$1,398.50   | \$57.25                             | 4.27%        | 9.04%        |
| Silver                                  | \$15.55                    | \$14.75      | \$15.35      | \$0.48                              | 3.23%        | -0.84%       |
| Platinum                                | \$823.50                   | \$790.00     | \$805.50     | \$6.50                              | 0.81%        | 1.74%        |
| Palladium                               | \$1,531.00                 | \$1,455.00   | \$1,500.00   | \$35.00                             | 2.39%        | 18.95%       |
| Precious Metals Cross Rates             | XAU/XAG                    | XAU v XPT    | XAU v XPD    | XPT v XPD                           | XAU/BRENT    | XAU/DJIA     |
| Weekly Close                            | 91.11                      | \$593.00     | (\$101.50)   | (\$694.50)                          | 21.45        | 0.0523       |
| WTD Change %                            | 1.01%                      | 9.36%        | 17.98%       | -4.28%                              | -0.83%       | 1.81%        |
| YTD Change %                            | 9.97%                      | 20.84%       | -572.09%     | 48.00%                              | -10.02%      | -4.80%       |
| Gold Prices in Other Currencies         | AUD                        | EUR          | GBP          | INR                                 | RUB          | ZAR          |
| Weekly Close                            | 2,020.08                   | 1,231.51     | 1,097.72     | 97,349.59                           | 88,105.50    | 20,026.52    |
| WTD Change %                            | 3.50%                      | 2.90%        | 3.04%        | 3.96%                               | 2.05%        | 0.65%        |
| YTD Change %                            | 11.12%                     | 10.15%       | 9.23%        | 9.15%                               | -1.38%       | 8.86%        |
| Physical Swaps                          | Dubai                      | Hong Kong    | Mumbai       | Singapore                           | Shanghai     | Tokyo        |
| Gold Kg Bars Bid                        | (\$2.00)                   | \$0.50       | (\$15.00)    | \$0.60                              | \$14.00      | (\$1.00)     |
| Interest Rates & Forward Swaps          | 1 month                    | 2 months     | 3 months     | 6 months                            | 1 year       | 2 years      |
| USD Libor                               | 2.40438%                   | 2.37663%     | 2.34925%     | 2.37788%                            | 2.34763%     | n/a          |
| Gold                                    | 2.58%                      | 2.49%        | 2.45%        | 2.21%                               | 1.90%        | 1.77%        |
| Silver                                  | 2.68%                      | 2.66%        | 2.65%        | 2.43%                               | 2.29%        | 2.10%        |
| Platinum                                | 2.45%                      | 2.41%        | 2.35%        | 2.25%                               | 2.05%        | 1.95%        |
| Palladium                               | -0.50%                     | -0.75%       | -1.00%       | -1.50%                              | -2.25%       | -2.50%       |
| ATM Option Volatility                   | 1 month                    | 2 months     | 3 months     | 6 months                            | 1 year       | 2 years      |
| Gold                                    | 13.55%                     | 13.30%       | 12.70%       | 12.80%                              | 12.80%       | 13.85%       |
| Silver                                  | 16.20%                     | 16.45%       | 16.45%       | 17.00%                              | 17.65%       | 18.70%       |
| Platinum                                | 17.00%                     | 17.00%       | 17.00%       | 16.60%                              | 16.50%       | n/a          |
| Palladium                               | 29.70%                     | 29.70%       | 30.10%       | 29.00%                              | 28.20%       | n/a          |
| 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                                    | 54,446,356                 | 0.54%        | -1.72%       | 584,830                             | 11.26%       | 29.44%       |
| Silver                                  | 616,983,676                | 0.72%        | -0.04%       | 229,535                             | -1.61%       | 30.30%       |
| Platinum                                | 2,496,437                  | 0.78%        | 23.00%       | 92,192                              | 4.04%        | 11.29%       |
| Palladium                               | 661,658                    | -0.09%       | -11.24%      | 22,532                              | 8.25%        | -15.87%      |
| Other Major Markets                     | .DXY                       | TR CRB       | BRENT        | CME COPPER                          | 10Y US TRY % | DJIA         |
| Weekly Close                            | 96.093                     | 187.11       | \$65.20      | \$2.710                             | 2.0574%      | 26,719.13    |
| WTD Change %                            | -1.39%                     | 2.17%        | 5.14%        | 2.67%                               | -1.1863%     | 2.41%        |
| YTD Change %                            | -0.08%                     | 6.34%        | 21.19%       | 3.10%                               | -23.5452%    | 14.54%       |

- ❖ Gold surged to 6 year high of \$1410.50 on Fed rate expectations & ME geo-political tensions, ended up 4.27% at \$1398.50
- ❖ Silver hit 4 month high of \$15.55 on back of gold, ended with a pared 48 cents or 3.23% gain at \$15.35
- ❖ Platinum helped by the strength of gold, ended up \$6.50 or 0.81% at \$805.50, however remains vulnerable on downside
- ❖ Palladium maintained its MVPM status, ended up \$35 Or 2.39% at \$1500, could challenge all time high of \$1620 over summer

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## ANALYSIS AND OUTLOOK



Gold marked time at the start of what would prove to be a dramatic week with the price easing to a low of \$1338.50 on Monday on optimism over US/China trade talks and light selling ahead of the FOMC meeting that started on Tuesday and concluded the next day. Although the decision by the Fed to leave interest rates unchanged was largely expected, the dovish tone of the subsequent comments took the market by surprise prompting a major rally in the gold price that saw the yellow metal surge to a six year high of \$1410.50 by Friday before ending up \$57.25 or 4.27% at \$1398.50 bid. A sharp escalation of US/Iran tensions in

the Arabian Gulf, which drove oil prices up by 5%, sparked a wave of safe haven investor buying of gold ETF's, while the charts have turned bullish with technical traders eyeing an eventual test of key long term resistance set at \$1425. On the downside the previous area of congested resistance located between \$1375 and \$1365 has now become a point of support that should now contain any reversal in direction with gold moving in to 'buy the dips mode'.

Silver also had a quiet start to the week with the price easing to a low of \$14.75 on Monday before tracking gold higher following the Fed's interest rate decision and subsequent dovish comments to finally make a conclusive break above the 100 day moving average now set at \$15.12 that had proved such a difficult technical hurdle to overcome. The industrial precious metal reached to a 4 month high of \$15.55 by Friday but fell back on profit taking to end a positive week up 48 cents or 3.23% at \$15.35 bid. It now looks set to work its way higher towards the next main point of resistance set at \$16.25 although it is likely to be a bumpy ride with erratic price volatility and a possible test of the 100 day MA before making the expected move higher.



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Platinum had looked set for a serious test of key long term support pegged at \$775 and an early move to a low of \$790 on Tuesday reinforced that view before the strength of gold came to its rescue with the noble metal rallying to a high of \$823.50 on Thursday. However the lack of any significant progress in the US/China Trade Wars weighed on sentiment, resulting in a reversal back to \$805.50 by the close on Friday representing a pared gain of \$6.50 or 0.81% on the week. While all markets will be focused on the tensions in the Arabian Gulf and the Fed's monetary policy, the key influence for platinum remains the outlook for global growth and a positive resolution of Sino/US trade talks.

Having reclaimed it's position as the 'Most Valuable Precious Metal' with a stunning 8% rally the previous week, palladium consolidated it's ranking at the top of the sector with another strong showing as the price rose from an early low of \$1455, posted on Monday, to reach a 3 month high of \$1531 on Thursday. Light profit taking into the close on Friday saw palladium end with a pared, but solid \$35 or 2.39% gain at \$1500 and it looks set to challenge the all time high of \$1620 over the summer, especially if trade talks between the US and China reach a successful conclusion.



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