



PRECIOUS METALS WEEKLY REVIEW AND OUTLOOK

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Weekly Price Review For The Week Ending			05-Jul-19		Date		06-Jul-19	
OTC Spot Market	High Bid	Low Offer	Close	WTD Change \$	WTD Change %	YTD Change %		
Gold	\$1,435.75	\$1,381.50	\$1,399.50	(\$9.50)	-0.67%	9.12%		
Silver	\$15.43	\$14.87	\$14.97	(\$0.34)	-2.22%	-3.29%		
Platinum	\$846.00	\$803.50	\$804.50	(\$28.50)	-3.42%	1.61%		
Palladium	\$1,576.00	\$1,544.00	\$1,566.50	\$28.50	1.85%	24.23%		
Precious Metals Cross Rates	XAU/XAG	XAU v XPT	XAU v XPD	XPT v XPD	XAU/BRENT	XAU/DJIA		
Weekly Close	93.49	\$595.00	(\$167.00)	(\$762.00)	21.79	0.0520		
WTD Change %	1.58%	3.30%	-29.46%	-8.09%	0.11%	-1.86%		
YTD Change %	12.84%	21.24%	-876.74%	62.39%	-8.60%	-5.45%		
Gold Prices in Other Currencies	AUD	EUR	GBP	INR	RUB	ZAR		
Weekly Close	2,005.30	1,246.88	1,117.63	95,781.78	89,247.79	19,828.68		
WTD Change %	-0.09%	0.60%	0.68%	-1.39%	0.14%	0.00%		
YTD Change %	10.30%	11.53%	11.21%	7.39%	-0.11%	7.79%		
Physical Swaps	Dubai	Hong Kong	Mumbai	Singapore	Shanghai	Tokyo		
Gold Kg Bars Bid	(\$2.00)	\$0.50	(\$25.00)	\$0.40	\$12.00	(\$1.00)		
Interest Rates & Forward Swaps	1 month	2 months	3 months	6 months	1 year	2 years		
USD Libor	2.36650%	2.33738%	2.31138%	2.20063%	2.17938%	n/a		
Gold	2.58%	2.50%	2.46%	2.32%	2.03%	1.62%		
Silver	2.71%	2.65%	2.59%	2.40%	2.20%	1.97%		
Platinum	2.38%	2.40%	2.35%	2.23%	2.03%	1.95%		
Palladium	-0.50%	-0.75%	-1.25%	-2.25%	-2.55%	-2.75%		
ATM Option Volatility	1 month	2 months	3 months	6 months	1 year	2 years		
Gold	14.26%	13.45%	12.72%	12.34%	12.35%	13.45%		
Silver	16.38%	16.23%	16.40%	16.48%	17.48%	18.72%		
Platinum	17.50%	17.50%	17.50%	17.25%	17.25%	n/a		
Palladium	30.75%	30.75%	30.00%	29.30%	28.80%	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	55,777,210	0.06%	0.69%	608,572	3.38%	34.69%		
Silver	629,131,400	1.08%	1.93%	222,557	1.82%	26.34%		
Platinum	2,569,739	2.85%	26.61%	80,573	-5.58%	-2.74%		
Palladium	639,172	-1.10%	-14.26%	24,801	6.03%	-7.39%		
Other Major Markets	.DXY	TR CRB	BRENT	CME COPPER	10Y US TRY %	DJIA		
Weekly Close	97.174	189.63	\$64.23	\$2.663	2.0373%	26,922.12		
WTD Change %	1.09%	-0.10%	-0.79%	-1.73%	1.6059%	1.21%		
YTD Change %	1.04%	7.77%	19.39%	1.33%	-24.2921%	15.41%		

- ❖ Gold had a volatile week with a 3.90% trading range, ended just below \$1400, looks vulnerable to a test of \$1375
- ❖ India makes shock increase in gold import duty to 12.5%, INR gold spiked to record high, discount to Loco London hits \$30
- ❖ Silver fell 2.22% to end at \$14.97, close below 100 & 200 day MA technically negative, chart target is \$14.60
- ❖ Platinum fell 3.42% to \$804.50 bid, looks set to probe support at \$775 to \$750, a break would yield \$100
- ❖ Palladium gained \$28.50 to end at \$1566.50, looks set to challenge all time high of \$1620 over the summer

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MINDEX ANALYSIS AND OUTLOOK

Gold, spot (USD) <NetDania rt> (Bid), Daily, # 394 / 600, SMA100=1,314.399, SMA200=1,282.988



Gold started the week against the backdrop of an agreement by the US and China on Saturday to resume trade talks, which prompted a major rally in global equities and the value of the dollar, sparking the largest daily percentage decline for 2½ years in gold with the price falling to a low of \$1381.50 on Monday. However this was followed by sharp 1.5% reversal in direction to \$1405 on Tuesday as the US reignited global trade war fears by threatening an additional \$4 billion in tariffs against the EU, and BoE Governor Carney warned about the impact on global growth of trade conflicts

and Brexit. The rally extended to a high of \$1435.75 on Wednesday as US equity markets rose to record levels, Eurozone bond yields fell to record lows, and 10-year US Treasury yields fell to 2½ years lows. The absence of the US on Thursday for their 4th July Independence Day holiday allowed markets to settle before much better than expected US employment data on Friday eased the growing pressure on the Fed to cut interest rates aggressively this month. This resulted in a sharp rally in the USD and a major sell off in gold that saw the price dip to \$1386 before bouncing back to end a highly volatile week down \$9.50 or 0.67% at \$1399.50. Adding to the downward pressure on gold at the end of the week was the shock news from India that import duties on gold and silver had been raised from 10% to 12.50%, which drove the gold price in local currency terms to an all time high of 35,100 rupees per 10 gram and has resulted in a discount versus loco London of up to \$30 per ounce. Looking ahead to the coming week all eyes will be on Fed Chairman Powell's testimony to Congress on Wednesday and Thursday and the release of the FOMC minutes late on Wednesday night for signals on monetary policy. Unless this is overtly dovish and/or there is an increase on geo-political tensions in the Middle East, gold looks set to probe the downside towards the area of technical congestion between \$1375 and \$1365.

Silver tracked gold lower in the early part of the week with the price falling to by 2% to \$15 on Tuesday only to stage a typically violent (almost) 3% reversal in direction to reach a high of \$15.43 on Wednesday before stabilising around \$15.30 until the release of the latest US employment data on Friday. With the increase in Non-Farm Payrolls coming in at 220k versus the expected 170k sparking a major sell-off in gold, it was no surprise to see silver follow the yellow metal lower to end with a steep 34 cents or 2.22% loss at \$14.97 bid. However in our view the markets seem to be ignoring the positive implications for industrial demand for silver from a buoyant global economy and if the respective US trade disputes with China and the EU can be resolved silver's relative value versus gold should improve significantly from its current historic low ratio of 92:1.



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Platinum had a different market profile last week compared to gold and silver with the news last weekend that trade talks between the US and China would be resuming prompting an early rally to a high of \$846 on Monday on the positive implications for industrial demand from the auto sector of an agreement on Trade between the world's two largest economies. However the newly found optimism quickly dissipated on Tuesday as the US threatened the Euro Zone with \$4 billion in additional tariffs, which would have the auto trade between the US and the EU in the eye of this

particular trade wars storm. The noble metal ended a very disappointing week just off the lows and down \$28.50 or 3.42% at \$804.50 bid and as this chart clearly illustrates it remains technically vulnerable to a test of the area of key long term support between \$775 and \$750, with a clearly break likely to yield \$150 on the downside.

Palladium put in a solid, albeit unspectacular performance, with the price rising steadily from an early low of \$1544 on Monday to reach a high \$1576 on Friday before a late bout of profit taking saw the 'Most Valuable Precious Metal' end the week with an impressive \$28.50 or 1.85% gain at \$1566.50. With progress seemingly being made in US/Sino trade talks any kind of constructive resolution should be bullish for a precious metal that already has a chronic supply versus demand deficit, and the outlook for further gains appears to be positive with chart watchers eyeing a potential pass at the all time high of \$1620 being made over the summer.



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