



PRECIOUS METALS WEEKLY REVIEW AND OUTLOOK

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Weekly Price Review For The Week Ending			19-Jul-19	Date	20-Jul-19	
OTC Spot Market	High Bid	Low Offer	Close	WTD Change \$	WTD Change %	YTD Change %
Gold	\$1,452.50	\$1,400.00	\$1,425.00	\$9.50	0.67%	11.11%
Silver	\$16.58	\$15.15	\$16.20	\$0.99	6.51%	4.65%
Platinum	\$860.50	\$827.00	\$843.50	\$16.00	1.93%	6.54%
Palladium	\$1,572.50	\$1,500.00	\$1,505.50	(\$40.00)	-2.59%	19.39%
Precious Metals Cross Rates	XAU/XAG	XAU v XPT	XAU v XPD	XPT v XPD	XAU/BRENT	XAU/DJIA
Weekly Close	87.96	\$581.50	(\$80.50)	(\$662.00)	22.81	0.0525
WTD Change %	-5.48%	-1.11%	38.08%	7.80%	7.52%	1.33%
YTD Change %	6.17%	18.49%	-474.42%	41.08%	-4.31%	-4.55%
Gold Prices in Other Currencies	AUD	EUR	GBP	INR	RUB	ZAR
Weekly Close	2,023.57	1,270.05	1,140.18	98,111.25	89,789.96	19,858.66
WTD Change %	0.31%	1.11%	1.28%	1.11%	0.70%	0.37%
YTD Change %	11.31%	13.60%	13.45%	10.00%	0.50%	7.95%
Physical Swaps	Dubai	Hong Kong	Mumbai	Singapore	Shanghai	Tokyo
Gold Kg Bars Bid	(\$1.50)	\$0.50	(\$33.00)	\$0.40	\$10.00	(\$0.25)
Interest Rates & Forward Swaps	1 month	2 months	3 months	6 months	1 year	2 years
USD Libor	2.26113%	2.25975%	2.25938%	2.17425%	2.19213%	n/a
Gold	2.59%	2.54%	2.52%	2.43%	2.15%	1.80%
Silver	2.65%	2.65%	2.59%	2.50%	2.24%	2.00%
Platinum	2.40%	2.40%	2.35%	2.23%	2.03%	1.95%
Palladium	0.50%	0.00%	-0.33%	-1.00%	-1.75%	-2.50%
ATM Option Volatility	1 month	2 months	3 months	6 months	1 year	2 years
Gold	14.45%	13.95%	13.50%	13.00%	12.80%	13.80%
Silver	20.90%	20.65%	20.15%	19.85%	19.70%	21.00%
Platinum	17.75%	17.75%	17.40%	17.40%	17.25%	n/a
Palladium	28.75%	30.00%	30.00%	29.00%	29.00%	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	56,357,360	0.94%	1.73%	634,991	4.98%	40.54%
Silver	654,696,800	2.60%	6.07%	231,165	5.61%	31.23%
Platinum	2,580,412	-0.45%	27.14%	77,606	0.58%	-6.32%
Palladium	632,281	-1.00%	-15.19%	25,242	0.08%	-5.75%
Other Major Markets	.DXY	TR CRB	BRENT	CME COPPER	10Y US TRY %	DJIA
Weekly Close	97.074	193.47	\$62.47	\$2.739	2.0552%	27,154.20
WTD Change %	0.36%	0.00%	-6.37%	1.75%	-3.1434%	-0.65%
YTD Change %	0.94%	9.95%	16.12%	4.22%	-23.6269%	16.40%

- ❖ Gold reached a 6 year high of \$1452.50 on Fed rate cut expectations and geo-political tensions, ended up 0.67% at \$1425
- ❖ Silver stage upside breakout, surged 10% to 1 year high of \$16.58, ended up 6.58% at \$16.20, gold/silver ratio fell 6.5%.
- ❖ Platinum gained 1.93% to end at \$843.50, close above 200 and 100 day MA technically positive, points towards \$900
- ❖ Palladium extended its reversal of fortune to reach \$1500, ended down 2.59% at \$1505.50, premium over gold fell to \$80

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ANALYSIS AND OUTLOOK



Gold had another active week amid high trading volume as the yellow metal eased to a low point of \$1400 on Wednesday after better than expected US retail sales tempered expectations of an aggressive rate cut at the Fed's next meeting at the end of the month and produced a sharp rally in the USD. However this was then followed by weaker than expected US housing data reigniting the clamour for the US Central Bank to revert back to an easier monetary policy, driving gold to a six year high of \$1452.50 on Friday before pre-weekend profit taking set in that saw the price end with a solid \$9.50 or 0.67% gain at \$1425.00 bid. Looking ahead reports that Iran has seized a British tanker in the

Straits of Hormuz will intensify geo-political tensions in the Middle East, while the result of the leadership vote in the UK will bring Brexit back into play, both of which should be supportive for gold. However the key focus for global markets will continue to be on the Fed and 'will they, won't they' cut interest rates at their meeting on July 30-31 and if they make a change, by how much will it be? We can expect, therefore, another week of high anxiety and price volatility within technical parameters set by support at \$1400 and resistance now established at \$1450.

Last week we highlighted silver's increasingly bullish technical picture with a break above the long-term downtrend line that intersected at \$15.50 likely to target \$16.25. This proved to be a good call as the industrial precious metal surged remorselessly by almost 10% from a low of \$15.15 posted in early trading on Monday to a one year high of \$16.58 on Friday. A late bout of profit taking saw the price fall sharply into the close to end a dramatic week with a pared but impressive 99 cents or 6.51% at \$16.20 bid and the steepness of this rally now points an extended period of high volatility within wide technical parameters set by a band of support between \$15.75 and \$15.50 and an area of congested resistance between \$16.50 and \$17.00. One side effect of silver's sudden return to form has been a 6.50% narrowing of the gold/silver ratio from 93 to 87 and this is now seems likely to improve by another 5.5% to 82.



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Platinum put in another good performance as the noble metal extended the previous week's (almost) 3% advance to reach a two month high of \$860.50 on Friday after a sustained rally from Monday's early low of \$827 before easing back to end with an encouraging \$16 or 1.93% gain at \$843.50. After a challenging 18 months Friday's close above both the 200 day Moving Average (\$830) and the 100 day MA (\$842) was technically encouraging and chart watchers will now have resistance set at \$875 in their sights with clear potential to regain a significant foothold back above \$900. From a fundamental perspective there

is a growing focus on the potential use of fuel cell technology that uses platinum in electric vehicles, which could give a significant boost to industrial demand in coming years, and certainly a development for traders and investors to watch.

Last week's unexpected reversal of fortune that saw palladium end down 1.34% on the week after briefly trading back above \$1600 continued into a second week as the 'Most Valuable Precious Metal' bucked the bullish trend in the precious metals sector with the price falling steadily from an early high of \$1572.50 on Monday to reach \$1500 on Friday before ending just off the lows at \$1505.50 bid, representing a loss of \$40 or 2.59%. Lack of progress in trade talks between the US and China was a key factor in palladium's disappointing performance while a modest easing of short term tightness in nearby supply also weighed on sentiment and these factors will remain the key drivers to focus on over the summer. It is worth noting that palladium's premium over gold has narrowed to \$80; with gold seemingly in a bullish phase and palladium having an uncertain short term outlook the latter's MVPM title could now be under threat.



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