



## 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			02-Aug-19	Date	04-Aug-19	
OTC Spot Market	High Bid	Low Offer	Close	WTD Change \$	WTD Change %	YTD Change %
Gold	\$1,447.75	\$1,400.50	\$1,440.50	\$22.25	1.57%	12.32%
Silver	\$16.62	\$15.90	\$16.21	(\$0.18)	-1.10%	4.72%
Platinum	\$881.50	\$841.00	\$842.00	(\$18.00)	-2.09%	6.35%
Palladium	\$1,557.75	\$1,382.00	\$1,406.50	(\$129.00)	-8.40%	11.54%
Precious Metals Cross Rates	XAU/XAG	XAU v XPT	XAU v XPD	XPT v XPD	XAU/BRENT	XAU/DJIA
Weekly Close	88.86	\$598.50	\$34.00	(\$564.50)	23.28	0.0544
WTD Change %	2.70%	7.21%	129.00%	16.43%	4.15%	4.28%
YTD Change %	7.26%	21.96%	58.14%	20.30%	-2.36%	-1.07%
Gold Prices in Other Currencies	AUD	EUR	GBP	INR	RUB	ZAR
Weekly Close	2,118.69	1,296.93	1,185.30	100,388.45	94,020.14	21,289.87
WTD Change %	3.20%	1.73%	3.47%	2.78%	4.68%	5.04%
YTD Change %	16.54%	16.00%	17.94%	12.56%	5.24%	15.73%
Physical Swaps	Dubai	Hong Kong	Mumbai	Singapore	Shanghai	Tokyo
Gold Kg Bars Bid	(\$1.50)	\$0.50	(\$35.00)	\$0.50	\$10.00	\$0.00
Interest Rates & Forward Swaps	1 month	2 months	3 months	6 months	1 year	2 years
USD Libor	2.22850%	2.24575%	2.23925%	2.13300%	2.11588%	n/a
Gold	2.52%	2.49%	2.47%	2.41%	2.09%	1.72%
Silver	2.62%	2.62%	2.60%	2.48%	2.38%	2.15%
Platinum	2.50%	2.48%	2.37%	2.25%	2.03%	1.95%
Palladium	0.90%	0.45%	0.15%	-1.00%	-1.75%	-2.50%
ATM Option Volatility	1 month	2 months	3 months	6 months	1 year	2 years
Gold	13.71%	12.82%	12.67%	12.38%	12.65%	13.80%
Silver	13.62%	18.23%	18.70%	18.75%	19.50%	20.90%
Platinum	17.70%	17.70%	17.90%	17.70%	17.35%	n/a
Palladium	31.35%	28.75%	28.75%	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	55,571,050	1.02%	0.31%	589,354	-2.03%	30.44%
Silver	602,722,700	2.08%	-2.35%	237,894	1.19%	35.05%
Platinum	2,615,389	0.61%	28.86%	74,489	-1.09%	-10.08%
Palladium	627,210	-0.43%	-15.87%	24,597	-3.28%	-8.16%
Other Major Markets	.DXY	TR CRB	BRENT	CME COPPER	10Y US TRY %	DJIA
Weekly Close	98.096	182.15	\$61.89	\$2.564	1.8417%	26,485.01
WTD Change %	0.20%	-2.12%	-2.47%	-4.29%	-11.1620%	-2.60%
YTD Change %	2.00%	3.52%	15.04%	-2.45%	-31.5608%	13.54%

- ❖ Gold ranged between \$1447.25 and \$1400.25, ended up 1.57% at \$1440.25 on Sino/US trade wars and Fed rate cut.
- ❖ Silver fell 1.10% to end at \$16.21 after ranging between \$16.62 and \$15.90, fell in value versus gold by 2.7%
- ❖ Platinum traded between \$881 and \$841, ended down 2.09% at \$842 US/China woes, could test 200 day MA at \$832
- ❖ Palladium collapsed 11% from \$1557 to \$1382, ended down 8.4% at \$1406, lost its' MVPL crown to gold by \$34

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## MINDEX ANALYSIS AND OUTLOOK

Gold, spot (USD) <NetDania rt> (Bid), Daily, # 500 / 1000, SMA200=1,302.862, SMA100=1,336.161



Gold spent the first half of the week trading nervously between \$1415 and \$1435 ahead of the latest FOMC meeting that ended on Wednesday with a largely anticipated 25 basis point reduction in the Fed's benchmark interest. In a classic case of 'by the rumour, sell the fact' move gold the yellow metals fell sharply to a low of \$1400.25 in reaction Fed Chairman Powell's relatively hawkish post rate decision comments, however this proved to be a bear trap as President Trump ramped up the US/China trade wars dispute by imposing 10% tariffs on an additional \$300 billion of Chinese

imports into the US and the subsequent reaction by China to retaliate with unspecified measures. This prompted a major sell-off in global equity markets and a flight into the safe havens of US and German Treasuries, the Swiss Franc, Japanese Yen and gold, with the later surging to a high of \$1447.75 on Friday before ending up \$22.25 or 1.57% at \$1440.50 bid. This latest twist in the long running trade Sino/US trade impasse looks set to dominate global markets in the week ahead with chart watchers eyeing further strength in gold towards the key band of long term technical resistance located between \$1475 and \$1500, while on the downside \$1400 seems to have been instated as a point of significant support that should contain downside reversals.

Silver has been a key focus in recent weeks as the industrial precious metal surged 15% from \$14.50 at the start of June to a high for the year of \$16.64 in the last week of July while also recouping 7% of this year's losses against gold over the same period. However it moved back into gold's shadows last week with the price peeking at \$16.62 on Tuesday before falling sharply to a low of \$15.90 on Thursday in the wake of the Fed's interest rate cut and President Trump's latest move against China with its negative implications for global growth and demand for industrial metals. Silver tracked gold higher into Friday's close to end at \$16.21 bid and now looks set for a period of sideways trading between the band of technical support set between \$15.90 and \$15.75 and overhead resistance between \$16.50 and \$16.75.

Silver, spot (USD) <IDC lite> (Bid), Daily, # 500 / 600, SMA100=15.16337, SMA200=15.13335



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Platinum had a strong start to the week with the price surging to an early high of \$881.50 on Monday as the noble metal built on its recent technical break out on the upside, however it plunged back to a low of \$841 on Friday in reaction to the escalation of the US/China trade wars rhetoric and the growing threat of a 'No Deal Brexit' both of which were seen as negative factors for the global auto sector, which accounts for 66% of industrial demand. The close a \$842, which was below the 100 day moving average and represented a loss of \$18 or 2.09% on the week, was technically disappointing and unless the an early resolution of the latest US/China spat is

found platinum looks set for a renewed period of weakness with the 200 day MA set at \$832 the next target on the charts.

Palladium had a bright start to the week as the price staged an early rally to a high of \$1557.75 on Monday on expectations of a Fed rate cut and optimism about trade talks between the US and China with traders eyeing a move towards the all time high of \$1620 set in March. However this growing bullish bubble was burst in dramatic style on Thursday following the sudden move by President Trump against China with palladium nose-diving by over 11% to a low of \$1382 on Friday before recovering to end the week down \$129 or 8.4% at \$1406.50 bid. Also this sudden reversal of fortune for palladium has seen the noble metal lose its 'Most Valuable Precious Metal' crown back to gold with this cross ending with gold at a \$34 premium. While physical demand for palladium will certainly be impacted by the effect of US/China trade wars, as with all industrial metals such as copper which fell 4% last week, it does not really explain last week's massive decline in price. In our view the recent sustained rally had seen an unsustainable build up in speculative long positions in futures markets that had left palladium overbought and vulnerable to a technical correction with stops elected on the move below key support set at \$1500. The fact that the price held above the 200 day moving average set at \$1375 and closed above the psychologically important \$1400 will be encouraging for chart watchers and we can expect a period of range trading between \$1375 and \$1475.



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