



PRECIOUS METALS WEEKLY REVIEW AND OUTLOOK

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Weekly Price Review For The Week Ending			16-Aug-19	Date	18-Aug-19	
OTC Spot Market	High Bid	Low Offer	Close	WTD Change \$	WTD Change %	YTD Change %
Gold	\$1,534.00	\$1,481.50	\$1,513.75	\$17.00	1.14%	18.03%
Silver	\$17.50	\$16.55	\$17.08	\$0.14	0.83%	10.34%
Platinum	\$866.25	\$831.00	\$844.50	(\$14.50)	-1.69%	6.66%
Palladium	\$1,463.00	\$1,421.00	\$1,448.00	\$26.50	1.86%	14.83%
Precious Metals Cross Rates	XAU/XAG	XAU v XPT	XAU v XPD	XPT v XPD	XAU/BRENT	XAU/DJIA
Weekly Close	88.63	\$669.25	\$65.75	(\$603.50)	25.81	0.0585
WTD Change %	0.31%	4.94%	12.62%	-7.29%	6.74%	2.70%
YTD Change %	6.97%	36.37%	205.81%	28.61%	8.29%	6.37%
Gold Prices in Other Currencies	AUD	EUR	GBP	INR	RUB	ZAR
Weekly Close	2,232.67	1,365.09	1,245.99	107,703.31	100,618.96	23,152.20
WTD Change %	1.24%	2.13%	0.18%	1.32%	3.03%	1.37%
YTD Change %	22.81%	22.10%	23.98%	20.76%	12.62%	25.85%
Physical Swaps	Dubai	Hong Kong	Mumbai	Singapore	Shanghai	Tokyo
Gold Kg Bars Bid	(\$2.00)	\$0.50	(\$33.00)	\$0.50	\$6.00	(\$0.25)
Interest Rates & Forward Swaps	1 month	2 months	3 months	6 months	1 year	2 years
USD Libor	2.17213%	2.24575%	2.13588%	2.01400%	1.93250%	n/a
Gold	2.33%	2.79%	2.78%	2.79%	1.85%	1.49%
Silver	3.35%	3.25%	3.20%	3.05%	3.05%	1.83%
Platinum	2.45%	2.45%	2.55%	2.50%	2.50%	1.70%
Palladium	-0.25%	-0.05%	-0.75%	-1.75%	-1.50%	-2.25%
ATM Option Volatility	1 month	2 months	3 months	6 months	1 year	2 years
Gold	16.90%	15.90%	15.50%	15.05%	14.45%	15.00%
Silver	22.35%	22.70%	22.60%	22.40%	22.70%	23.95%
Platinum	17.90%	17.90%	17.65%	17.60%	17.30%	n/a
Palladium	29.65%	29.65%	29.65%	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	56,389,790	0.54%	1.79%	601,598	0.00%	33.15%
Silver	626,953,000	2.52%	1.58%	238,798	0.00%	35.56%
Platinum	2,591,526	-0.27%	27.69%	76,294	0.00%	-7.90%
Palladium	627,009	0.01%	-15.89%	22,995	0.00%	-14.14%
Other Major Markets	.DXY	TR CRB	BRENT	CME COPPER	10Y US TRY %	DJIA
Weekly Close	98.203	179.19	\$58.64	\$2.600	1.5606%	25,886.01
WTD Change %	1.20%	-0.94%	-5.25%	0.58%	-10.3722%	-1.53%
YTD Change %	2.11%	1.84%	9.00%	-1.07%	-42.0067%	10.97%

- ❖ Gold surged to 6 year high of \$1534 on US/China trade impasse, Argentina currency collapse, Hong Kong unrest, inversion of US Treasuries 10Y versus 2Y yield curve for first time since 2007, German Q2 contraction, could signal global recession
- ❖ Silver hit 19 month high of \$17.50 on ETF inflows, ended with pared 0.83% gain at \$17.08, expect consolidation around \$17
- ❖ Platinum traded between \$866 and \$831, ended down 1.69% and in mid range at \$844.50, technical outlook uncertain
- ❖ Palladium gained 1.86% to end at \$1448 after trading between \$1463 and \$1421, could revisit \$1500 and parity to gold

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Contact us: Suite 204, 2nd Floor, The Catalyst, Silicon Avenue, 40 Cybercity, 72201, Ebène, Republic of Mauritius



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ANALYSIS AND OUTLOOK

Gold, spot (USD) <NetDania rt> (Bid, Weekly, # 464 / 850)



In last week's report we had warned of a bumpy ride in August and this was certainly the case over the last five days with gold surging from the previous Friday's close of \$1497 to a fresh 6 year high of \$1534 in early trading on Tuesday as safe haven flows into the yellow metal picked up pace in reaction a 15% decline in the Argentina Peso and an escalation of unrest in Hong Kong, which added to tensions between the US and China. However this was followed later that day by an apparent thaw in trade

talks between the world's two largest economies that sparked a wave of selling, led by 11 tons (\$530 Mio) of ETF outflows that saw the gold price plunge dramatically by 3.4% to a low of \$1481.50. Gold then staged a solid recovery to reach \$1528 by Friday on growing concerns about the health of the global economy as the US interest rate curve inverted with 10 year Treasury yields fell below 2 year treasuries for the first time since 2007, China's industrial output grew at the slowest pace for 17 years, and the German economy contracted in Q2 on Brexit woes. A late bout of selling in the face of a rising USD and a rally in US equities saw gold end the week with a pared \$17 or 1.14% gain at \$1513.75 bid and with conflicting signals from both the US and China on trade talks we can expect a period of erratically volatile range trading between support now set at \$1450 and long term resistance at \$1550, while all eyes will be on the Federal Reserve's Jackson Hole Symposium next weekend for clues on monetary policy with markets factoring in another interest rate cut of at least 0.25% at its next meeting in September.

Silver, spot (USD) <NetDania rt> (Bid, Weekly, # 365 / 700)



Silver initially followed up on the previous week's strong 4.50% rally to reach a 19-month high of \$17.50 on Tuesday as ETF investor inflows were joined by fast money speculators, however this was followed by a stunning 5.43% same-day reversal back to a low of \$16.55 as silver tracked gold's decline. The industrial precious metal found willing buyers into this sell-off and gradually worked its way up to \$17.38 before easing

back to end an erratically volatile week with a modest 14 cents or 0.83% gain at \$17.08 bid. Having advanced by 11% so far in August we expect a period of sideways consolidation around \$17 with \$17.50 providing a point of overhead resistance while a band of technical support has been established between \$16.50 and \$16 that should contain any weakness with chart watchers now having \$18.50 on their radar screens with longer term potential to reach \$21.25

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Platinum had a solid start to the week, tracking gold higher to reach a peak of \$866.25 on Tuesday before falling steadily to reach a low of \$831 on Friday following reports of a contraction of the German economy in Q2 and the lowest industrial output for 17 years in China, with both economies seen as crucial to the global auto sector that accounts for at least two-thirds of annual industrial demand. However a late rally saw platinum end the week with a pared \$14.50 or 1.69% loss at \$844.50 bid, which was back above the 200 day moving average set at \$832 but right on the 100 day MA

pegged at \$846, which was technically inconclusive. Platinum needs a close clearly above or below these long-term technical indicators to set the near term price direction with a breakout targeting either \$900 or \$800 with news from the US/China trade talks likely to provide the catalyst the next major move.

Palladium had a quietly solid week contained within reasonably tight parameters it initially built on the previous week's 1.07% gain to reach a high of \$1463 on Tuesday following the US decision not to implement selected tariff increases on China. However the growing concerns over global economic growth weighed on sentiment with the market falling back to \$1421 on Thursday before rallying into the close on Friday to end with an impressive \$26.50 or 1.86% gain at \$1448.00 bid. The fact that palladium survived another foray below the 100 day moving average, now set at \$1430, was technically encouraging and any signs of progress in the US/Sino trade impasse would surely propel palladium back towards \$1500 and parity, at least, with gold.



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