



## PRECIOUS METALS WEEKLY REVIEW AND OUTLOOK

Indications only | Closing prices are bids | Data source Thomson Reuters Eikon | See disclaimer below

| Weekly Price Review For The Week Ending 30-Aug-19 |                                   |                     |                     | Date 31-Aug-19                             |                     |                     |
|---|-----------------------------------|---------------------|---------------------|--|---------------------|---------------------|
| <b>OTC Spot Market</b>                            | <b>High Bid</b>                   | <b>Low Offer</b>    | <b>Close</b>        | <b>WTD Change \$</b>                       | <b>WTD Change %</b> | <b>YTD Change %</b> |
| Gold  | \$1,554.50                        | \$1,517.50          | \$1,519.75          | (\$6.25)                                   | -0.41%              | 18.50%              |
| Silver  | \$18.65                           | \$17.50             | \$18.35             | \$0.96                                     | 5.52%               | 18.54%              |
| Platinum  | \$939.50                          | \$852.00            | \$930.75            | \$77.25                                    | 9.05%               | 17.56%              |
| Palladium   | \$1,545.75                        | \$1,477.00          | \$1,531.25          | \$71.25                                    | 4.88%               | 21.43%              |
| <b>Precious Metals Cross Rates</b>                | <b>XAU/XAG</b>                    | <b>XAU v XPT</b>    | <b>XAU v XPD</b>    | <b>XPT v XPD</b>                           | <b>XAU/BRENT</b>    | <b>XAU/DJIA</b>     |
| Weekly Close                                      | 82.82                             | \$589.00            | (\$11.50)           | (\$600.50)                                 | 25.65               | 0.0576              |
| WTD Change %                                      | -5.62%                            | -12.42%             | 117.42%             | 0.99%                                      | -0.26%              | -3.33%              |
| YTD Change %                                      | -0.03%                            | 20.02%              | -153.49%            | 27.97%                                     | 7.60%               | 4.69%               |
| <b>Gold Prices in Other Currencies</b>            | <b>AUD</b>                        | <b>EUR</b>          | <b>GBP</b>          | <b>INR</b>                                 | <b>RUB</b>          | <b>ZAR</b>          |
| Weekly Close                                      | 2,256.16                          | 1,382.97            | 1,250.31            | 108,587.66                                 | 101,317.17          | 23,069.81           |
| WTD Change %                                      | -0.14%                            | 1.00%               | 0.59%               | -0.47%                                     | 0.60%               | -0.78%              |
| YTD Change %                                      | 24.10%                            | 23.70%              | 24.41%              | 21.75%                                     | 13.40%              | 25.41%              |
| <b>Physical Swaps</b>                             | <b>Dubai</b>                      | <b>Hong Kong</b>    | <b>Mumbai</b>       | <b>Singapore</b>                           | <b>Shanghai</b>     | <b>Tokyo</b>        |
| Gold Kg Bars Bid                                  | (\$2.00)                          | \$0.60              | (\$24.00)           | \$0.50                                     | \$9.00              | (\$0.25)            |
| <b>Interest Rates &amp; Forward Swaps</b>         | <b>1 month</b>                    | <b>2 months</b>     | <b>3 months</b>     | <b>6 months</b>                            | <b>1 year</b>       | <b>2 years</b>      |
| USD Libor   | 2.08900%                          | 2.14963%            | 2.13763%            | 2.03650%                                   | 1.97400%            | n/a                 |
| Gold  | 2.48%                             | 2.39%               | 2.33%               | 2.24%                                      | 1.95%               | 1.45%               |
| Silver  | 2.55%                             | 2.58%               | 2.52%               | 2.40%                                      | 2.15%               | 1.80%               |
| Platinum  | 2.42%                             | 2.38%               | 2.30%               | 2.10%                                      | 1.80%               | 1.70%               |
| Palladium   | -0.25%                            | -0.25%              | -0.75%              | -1.45%                                     | -1.50%              | -2.25%              |
| <b>ATM Option Volatility</b>                      | <b>1 month</b>                    | <b>2 months</b>     | <b>3 months</b>     | <b>6 months</b>                            | <b>1 year</b>       | <b>2 years</b>      |
| Gold  | 14.20%                            | 14.60%              | 14.50%              | 14.65%                                     | 14.95%              | 15.90%              |
| Silver  | 24.90%                            | 25.00%              | 25.00%              | 25.00%                                     | 25.35%              | 26.65%              |
| Platinum  | 19.50%                            | 20.00%              | 20.00%              | 17.70%                                     | 18.80%              | n/a                 |
| Palladium   | 30.20%                            | 30.20%              | 30.20%              | 29.00%                                     | 29.20%              | n/a                 |
| <b>Investment &amp; Trade Flows</b>               | <b>ETF Holdings (fine ounces)</b> |                     |                     | <b>CME Open Interest (100 oz contract)</b> |                     |                     |
|   | <b>Weekly Close</b>               | <b>WTD Change %</b> | <b>YTD Change %</b> | <b>Weekly Close</b>                        | <b>WTD Change %</b> | <b>YTD Change %</b> |
| Gold  | 57,928,940                        | 1.85%               | 4.57%               | 610,294                                    | -3.05%              | 35.07%              |
| Silver  | 640,842,800                       | 0.73%               | 3.83%               | 218,872                                    | -8.71%              | 24.25%              |
| Platinum  | 2,636,631                         | 0.20%               | 29.91%              | 84,830                                     | 9.47%               | 2.40%               |
| Palladium   | 628,527                           | 0.31%               | -15.69%             | 20,728                                     | -5.28%              | -22.60%             |
| <b>Other Major Markets</b>                        | <b>.DXY</b>                       | <b>TR CRB</b>       | <b>BRENT</b>        | <b>CME COPPER</b>                          | <b>10Y US TRY %</b> | <b>DJIA</b>         |
| Weekly Close                                      | 98.807                            | 179.19              | \$59.25             | \$2.537                                    | 1.4977%             | 26,403.28           |
| WTD Change %                                      | 1.59%                             | 0.00%               | -0.15%              | -0.12%                                     | -2.2198%            | 3.02%               |
| YTD Change %                                      | 2.74%                             | 1.84%               | 10.13%              | -3.48%                                     | -44.3441%           | 13.19%              |

- ❖ Gold hit fresh 6 year high of \$1554.50 on US/China woes, dovish Fed, and yield curve inversion, ended down 0.41% at \$1520
- ❖ Silver surged to 28-month high of \$18.65, ended up 5.52% at \$18.35, has gained 30% since start of June
- ❖ Platinum staged strong rally to 16 month high of \$939.50, ended up 9.05% at \$930.75, on track to reach \$1,000
- ❖ Palladium gained 4.88% to end at \$1531 on US/China trade optimism, regained MVPM crown from gold

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



## MINDEX ANALYSIS AND OUTLOOK

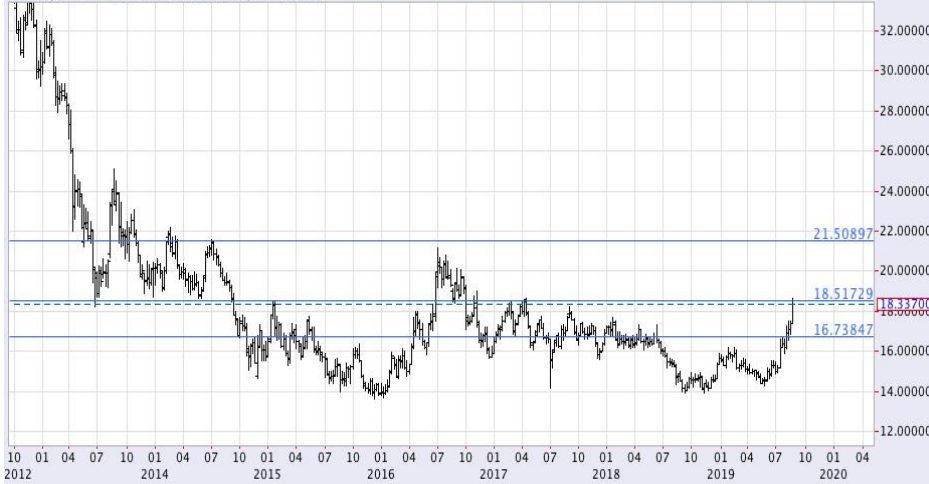
Gold, spot (USD) <NetDania rt> (Bid), Weekly, # 467 / 700



Gold sprang out of the blocks on Monday with strong gains as the yellow metal surged to a fresh 6 year high of \$1554.50 against a backdrop of an escalation of the trade dispute between the US and China, a dovish speech by Fed Chairman at the Jackson Hole Central Bank symposium, suggesting a further easing in monetary policy, and a steeper inversion of the US interest rate yield curve with its' portents of an impending global recession. However this proved to be the high point of the week as President Trump and senior Chinese officials stressed that progress was being made between the world's two leading economies and profit taking set in as gold moved into

technical overbought territory with the 30 day RSI hitting 71. The fall back from Monday's high gradually picked up pace over the rest of the week, reaching a low of \$1517.50 on Friday before gold ended down \$6.25 or 0.41% at \$1519.75 and the weaker close leaves gold vulnerable to a deeper retracement in the week ahead with \$1500 the initial target on the charts with a break below this key technical and psychological level setting up a possible decline towards \$1450.

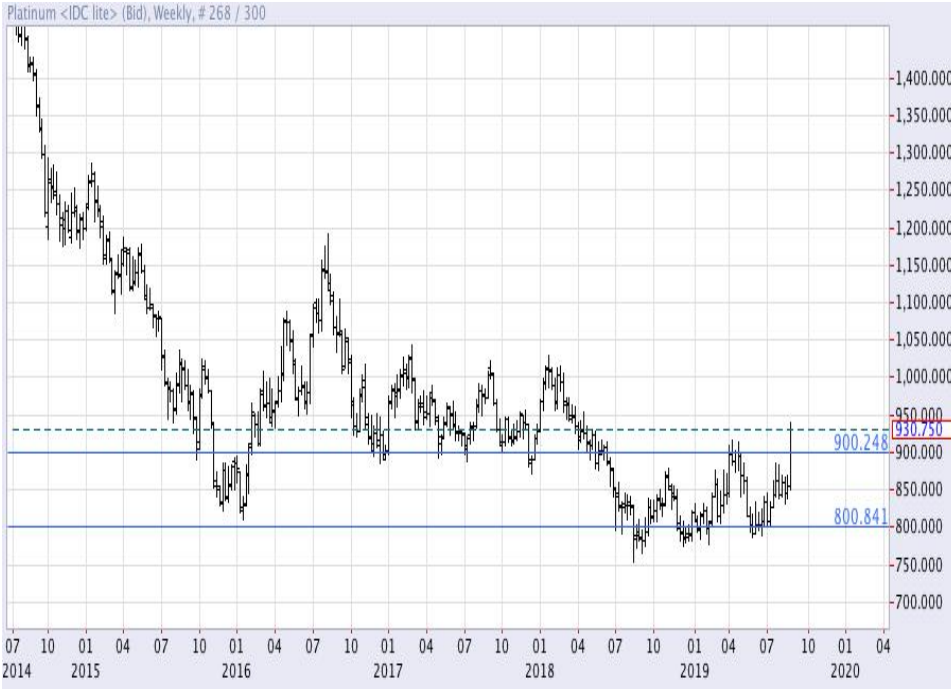
Silver, spot (USD) <NetDania rt> (Bid), Weekly, # 360 / 765



Silver had spent the first six months of the year in the doldrums with the price showing no signs of following gold higher and slipping to a multi year low of 93:1 in the gold/silver ratio. However investors have poured into silver as a cheap safe haven proxy for gold since the industrial precious metals made a key technical breakout to the upside in mid July when the price penetrated key long term resistance set at \$15.50 after establishing a solid foundation between \$14 and \$15 in Q2. Silver surged from an early low of \$17.50 on Monday to reach a 28-month high of \$18.65 on

Thursday before easing back to end a dramatic week up 96 cents or 5.52% at \$18.35 bid and this latest leg in the astonishing summer rally means that silver has gained more than 30% in value since the start of June. However with the 30 day RSI moving into overbought territory last week with a reading of 72 chart watchers will be wary of sharp reversal back towards \$17.50 once the current 'silver mania' subsides with potential for a deeper retracement back towards \$16.75. Such a short term technically driven reversal of fortune would surely attract longer-term players who now have a price north of \$21 back on their radar screens.

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In last week's report we had suggested that chart watchers had been encouraged by platinum's ability to hold above key support set by the 100 day moving average set at \$842 and that any signs of progress in Sino/US trade talks would spark a rally towards \$900. This proved to be an accurate call as the noble metal surged remorselessly from an early low of \$852 on Monday to a 16 month high of \$939.50 on Friday before ending with an extraordinary \$77.25 or 9.05% at \$930.75 bid on news that the US and China were at least 'talking to each other'. If real progress is made next week we can expect platinum to extend the current rally towards the key \$1,000 level amid growing confidence that the 6 year bear market is finally over and the focus from

now will be on the upside.



Palladium had a great week with the price rising inexorably from an early low of \$1477 on Monday to reach a high of \$1545.75 on Friday before easing back to end up \$71.25 or 4.88% at \$1531.25 bid and importantly \$11.50 above gold meaning that palladium had reclaimed its crown as the most valuable precious metal, validating our prediction made in last week's report. News of apparent progress in trade talks between the US and China was the main driver of this latest rally and chart watchers will now be eyeing a possible test of the all time high of \$1620 posted in March and the technical blue sky evident if this particular glass ceiling is broken.

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