



PRECIOUS METALS WEEKLY REVIEW AND OUTLOOK

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Weekly Price Review For The Week Ending			01-Nov-19	Date	03-Nov-19	
OTC Spot Market	High Bid	Low Offer	Close	WTD Change \$	WTD Change %	YTD Change %
Gold	\$1,515.25	\$1,481.00	\$1,513.50	\$9.25	0.61%	18.01%
Silver	\$18.17	\$17.57	\$18.08	\$0.06	0.33%	16.80%
Platinum	\$954.00	\$908.00	\$946.00	\$19.75	2.13%	19.48%
Palladium	\$1,824.00	\$1,766.00	\$1,805.50	\$42.00	2.38%	43.18%
Precious Metals Cross Rates	XAU/XAG	XAU v XPT	XAU v XPD	XPT v XPD	XAU/BRENT	XAU/DJIA
Weekly Close	83.71	\$567.50	(\$292.00)	(\$859.50)	24.53	0.0553
WTD Change %	0.28%	-1.82%	-12.63%	-2.66%	1.15%	-0.82%
YTD Change %	1.04%	15.64%	-1458.14%	83.16%	2.92%	0.66%
Gold Prices in Other Currencies	AUD	EUR	GBP	INR	RUB	ZAR
Weekly Close	2,189.35	1,355.58	1,170.17	107,092.23	96,143.73	22,743.06
WTD Change %	-0.71%	-0.17%	-0.26%	0.54%	0.12%	3.38%
YTD Change %	20.43%	21.25%	16.43%	20.07%	7.61%	23.63%
Physical Swaps	Dubai	Hong Kong	Mumbai	Singapore	Shanghai	Tokyo
Gold Kg Bars Bid	\$0.25	\$0.50	(\$6.00)	\$0.50	\$5.00	(\$0.25)
Interest Rates & Forward Swaps	1 month	2 months	3 months	6 months	1 year	2 years
USD Libor	1.71200%	1.83888%	1.89050%	1.90238%	1.92525%	n/a
Gold / USD	2.00%	2.35%	2.25%	2.05%	1.85%	1.60%
Silver / USD	2.30%	2.55%	2.55%	2.35%	2.15%	1.80%
Platinum / USD	2.40%	2.20%	2.17%	2.10%	1.80%	1.70%
Palladium / USD	-5.00%	-5.00%	-7.00%	-7.00%	-6.25%	-6.00%
ATM Option Volatility	1 month	2 months	3 months	6 months	1 year	2 years
Gold	10.10%	10.80%	11.40%	12.40%	13.40%	14.40%
Silver	19.60%	19.50%	20.60%	22.15%	23.60%	24.75%
Platinum	20.55%	20.55%	19.00%	20.45%	18.65%	n/a
Palladium	28.00%	28.10%	28.20%	28.65%	31.70%	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	62,114,841	1.72%	12.13%	683,246	3.54%	51.22%
Silver	630,238,012	-0.15%	2.11%	227,994	2.13%	29.43%
Platinum	2,827,336	0.00%	39.31%	92,630	3.63%	11.82%
Palladium	608,669	0.62%	-18.35%	28,460	2.20%	6.27%
Other Major Markets	.DXY	TR CRB	BRENT	CME COPPER	10Y US TRY %	DJIA
Weekly Close	97.171	180.27	\$61.69	\$2.656	1.7978%	27,347.36
WTD Change %	-0.67%	1.07%	-0.53%	-0.80%	0.0000%	1.44%
YTD Change %	1.04%	2.45%	14.67%	1.07%	-33.1921%	17.23%

- ❖ Gold rallied from \$1481 to \$1515 on Fed rate cut, ended up 0.61% at \$1513, set to remain in \$1475 - \$1535 range
- ❖ Silver posted marginal 0.33% gain after ranging between \$17.57 and \$18.17, set for fresh \$1 range pivoting around \$18
- ❖ Platinum added 2.13% to previous week's 4.13% gain to end at \$946 look set to challenge \$960, a clear break targets \$1000
- ❖ Palladium posted yet another all time high of \$1824 and record close of \$1805, could reach \$2,000 before year-end.

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MINDEX ANALYSIS AND OUTLOOK



For the third week in a row gold started on the back foot with the price falling from the previous Friday's close of \$1504 to reach a low of \$1481 on Tuesday ahead of the FOMC meeting and amid a strong 'risk-on' rally in global equity markets on growing optimism over Sino/US trade talks. This was followed by a sustained rally that extended to \$1515 on Friday following the widely expected 25 basis point interest rate by the Fed and weakness in the US, however better than expected US employment data prompted profit taking that pushed gold back towards \$1500 before a wave of late buying into the close saw gold end an encouraging week up \$9.25 or 0.61% at \$1513.50 bid. Looking ahead Jerome Powell's post Fed rate

cut press conference suggested that there will be no further easing in rates this year while the 'Brexit Can' has been kicked down the road until at least December 12th with the UK General Election is scheduled to be held, leaving US and China trade talks as the key macro focus for global financial and commodity markets in November. With signals from both Washington and Beijing suggesting that Phase One (of Three Phases) is close to being agreed and physical demand from Asia being tepid at best it is difficult to see what could spark a fresh rally in gold, although it must be noted that the yellow metal performed well in the face of record breaking equity markets. This suggests a further extended period of sideways trading within a technical range set by strong support at \$1475 and stiff resistance between \$1525 and \$1535 with \$1500 acting as a psychological pivot. Play the range but cover the break!

Silver tracked gold lower the start of the week to reach \$17.57 on Tuesday only to stage a typically abrupt about turn to post a 3.5% rally to reach a high of \$18.17 on Friday following the Fed rate cut decision before easing back to end with a marginal 6 cents or 0.33% gain at \$18.08 bid. The close was virtually in the middle of a technical trading range set by a strong band of support between \$17.50 and \$17.25 and a stiff area of resistance between \$18.50 and \$18.75 and it will require fresh news to generate a new trend. Although silver generally moves in the same direction as gold, given the industrial precious metal's role as a cheaper safe haven asset class, it is also influenced much more than gold by industrial demand and the progress that is being made in trade talks between the US and China is potentially bullish for silver while being negative for gold. This dynamic could be the spark that triggers the new trend and suggests a significant move lower in the gold versus silver ratio from the current level of just below 84:1 to 81:1 with a clear break targeting 75:1.



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Platinum <IDC lite> (Bid), Daily, # 361 / 600, SMA100=878.643, SMA200=859.924



Platinum built on the previous week's 4% advance as the noble metal recovered from an early dip to a low of \$908 on Tuesday to reach \$954 on Friday, its highest level since September, before ending up \$19.75 or 2.13% at \$946 bid on the back of growing optimism about the likely industrial demand impact of a trade deal between the US and China. While the noble metal remains within a well-defined technical trading range bounded by strong support at \$875 and stiff overhead resistance at \$960, the focus for the week ahead is once again likely to be on the upside given the current positivity surrounding Sino/US talks with chart watchers well aware to a clear break and close above \$960 will target \$1000.

We know that it sounds like a broken record but what can be said about Palladium other than 'Another Week, Another Record' as the price rose inexorably from an early low of \$1766 on Monday to reach a fresh all time high of \$1824 on Wednesday before easing back to end up \$42 or 2.38% at \$1805.50 bid, which represented a new record close for the undisputed 'Most Valuable Precious Metal'. The main driver of this record breaking run has been the chronic shortage of physical supply versus industrial demand, largely from the auto sector, exacerbated by the US/China stand off, and with significant progress being made in trade talks between the world's two largest economies this supply deficit can only get worse, suggesting a price north of \$2000 sooner rather than later, or until car makers make a significant shift back towards platinum.

Palladium <IDC lite> (Bid), Daily, # 372 / 753, SMA100=1,578.892, SMA200=1,497.270



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