



## PRECIOUS METALS WEEKLY REVIEW AND OUTLOOK

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Weekly Price Review For The Week Ending 27-Jul-18				Date 29-Jul-18		
<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	\$1,235.00	\$1,217.75	\$1,223.00	(\$8.00)	-0.65%	-6.07%
Silver	\$15.66	\$15.32	\$15.46	(\$0.01)	-0.06%	-8.79%
<b>Options &amp; Forwards</b>	<b>ATM Options Vols</b>			<b>Forward Swaps</b>		
	<b>1 month</b>	<b>3 months</b>	<b>6 months</b>	<b>1 month</b>	<b>3 months</b>	<b>6 months</b>
Gold	8.89%	9.39%	9.67%	2.15%	2.25%	2.40%
Silver	14.88%	15.76%	16.10%	2.20%	2.30%	2.50%
<b>Gold Prices in Other Currencies</b>	<b>EUR</b>	<b>GBP</b>	<b>CNY</b>	<b>INR</b>	<b>TRY</b>	<b>ZAR</b>
Weekly Close	1,049.00	933.00	8,328.00	83,896.00	5,927.00	21,744.00
WTD Change %	-0.10%	-0.43%	-0.04%	-0.87%	0.37%	-1.07%
YTD Change %	-3.32%	-3.22%	-1.72%	0.92%	20.10%	-5.84%
<b>Silver Prices in Other Currencies</b>	<b>EUR</b>	<b>GBP</b>	<b>CNY</b>	<b>INR</b>	<b>MXN</b>	<b>PEN</b>
Weekly Close	13.25	23.56	105.25	1,060.28	287.77	50.47
WTD Change %	0.42%	0.08%	0.54%	-0.29%	-2.20%	-0.37%
YTD Change %	-5.84%	-4.54%	20.10%	-6.06%	-1.98%	-0.75%
<b>Physical Premia</b>	<b>Dubai</b>	<b>Hong Kong</b>	<b>Istanbul</b>	<b>Mumbai</b>	<b>Singapore</b>	<b>Shanghai</b>
Gold Kg Bars Ask	\$1.25	\$1.00	\$0.50	\$1.00	\$1.00	\$1.00
<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	55,033,335	0.08%	-0.77%	467,330	-8.79%	-0.92%
Silver	631,708,104	0.07%	0.48%	218,544	1.74%	12.76%

### FROM THE NEWSWIRES

NEW YORK/LONDON, July 27 (Reuters) - Gold inched higher on Friday as the U.S. dollar slid lower after strong U.S. economic growth data while concern remains about trade tensions between the United States and Europe. The dollar slipped against a basket of currencies as data showing the U.S. economy rang up its strongest quarter in nearly four years failed to erase worries that trade frictions would be a drag in the second half of 2018. The greenback gave up initial gains after the U.S. government reported gross domestic product grew at a 4.1 per cent annualized pace in the second quarter, matching the median forecast among economists polled by Reuters. Benchmark 10-year U.S. Treasury yields slipped from their highest level in 1-1/2 months. Spot gold edged up 0.1 per cent to \$1,223.46 an ounce 1:31 p.m. EDT (1731 GMT), having hit a one-week low of \$1,216.93, and was on track for its third consecutive weekly decline, of about 0.5 per cent. In the physical markets, gold demand in India improved this week as domestic prices traded near a six-month low, while weaker rates in Singapore prompted a pick-up in demand there. Demand remained weak, however, in top consumer China as the yuan fell. "We believe price action (in gold) is likely to be subdued in the coming weeks (as) physical demand is in the middle of a seasonally slow period, short interest in gold has risen as prices have fallen and there are 200 tonnes of loss-making ETF positions that could be liquidated," Barclays said in a note. Spot gold is expected to fall into a range of \$1,206-\$1,214 an ounce, Reuter's technical analyst Wang Tao said. "A key level of resistance will be \$1,236, the double-bottom from a couple weeks ago," Pehowich added. Among other precious metals, silver rose 0.5 per cent at \$15.45 per ounce, but was heading for its seventh weekly decline. It earlier hit a one-week low at \$15.29 an ounce.

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**MINDEX ANALYSIS AND OUTLOOK**



Gold put in a solid performance for much of the week as the yellow metal extended its short covering rally from the previous week's 1 year low of \$1211.50 to reach a high of \$1235.00 by Thursday as the USD weakened. However stronger than expected US GDP growth of 4.1% in Q2 attracted a fresh wave of selling that drove the price down to a low of \$1217.75 before physical bargain hunting helped gold to end the week with a pared \$8 or 0.65% loss at \$1223.00 bid. The strength of the US economy was underlined by the Q2 GDP data and all eyes will be on the latest US jobs data due to be released on Friday for further signs that the Fed will hike interest rates again at their meeting in September. A strong

number will no doubt add to the downside pressure on gold and a pass at the key \$1200 technical and psychological level is a clear possibility, a view that is underlined by a record level of speculative shorts on the COMEX. However as pointed out in last week's report we believe that strong physical demand from India (post the monsoon season) and China, combined with official buying from Russia and its satellite nations, will help to steady the gold price and set the market up for a sustained recovery towards \$1300 in the latter part of 2018 as the USD weakens in line with President Trump's wishes (and he seems to be able to get what he wants) and pressure from the White House on the Fed to at least slow the pace of interest rate increases.

Silver, as ever, followed the same trading pattern as gold with the price rising steadily from an early low of \$15.32 on Monday to reach a high of \$15.66 by Thursday before easing back to end the week barely lower at \$15.46 bid. Although we expect silver to eventually track gold higher after the summer, a view shared by ETF investors that continue to 'keep the faith', the industrial precious metal could be in for a period of erratic sideways trading in August between technical support set between \$15.15 and \$15.00 and overhead resistance pegged at \$16 before an eventual breakout to the upside that could bring \$20 back onto technical radar screens in the longer term.



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