



PRECIOUS METALS WEEKLY REVIEW AND OUTLOOK

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Weekly Price Review For The Week Ending			25-May-18	Date	27-May-18	
OTC Spot Market	High Bid	Low Offer	Close	WTD Change \$	WTD Change %	YTD Change %
Gold	\$1,307.50	\$1,282.00	\$1,301.00	\$9.50	0.74%	-0.08%
Silver	\$16.71	\$16.27	\$16.48	\$0.06	0.37%	-2.77%
Options & Forwards	ATM Options Vols			Forward Swaps		
	1 month	3 months	6 months	1 month	3 months	6 months
Gold	8.65%	9.32%	10.14%	2.05%	2.30%	2.45%
Silver	14.40%	16.22%	16.72%	2.15%	2.30%	2.50%
Gold Prices in Other Currencies	EUR	GBP	CNY	INR	TRY	ZAR
Weekly Close	1,117.00	977.00	8,315.00	88,128.00	6,123.00	16,239.00
WTD Change %	1.92%	1.98%	0.96%	0.37%	5.50%	-1.42%
YTD Change %	2.95%	1.35%	-1.88%	6.01%	24.07%	0.89%
Silver Prices in Other Currencies	EUR	GBP	CNY	INR	MXN	PEN
Weekly Close	14.14	24.76	105.31	1,116.19	321.94	53.86
WTD Change %	1.45%	1.63%	0.57%	-0.01%	-1.70%	-0.19%
YTD Change %	0.89%	-4.49%	24.07%	-1.28%	3.19%	4.91%
Physical Premia	Dubai	Hong Kong	Istanbul	Mumbai	Singapore	Shanghai
Gold Kg Bars Ask	\$0.00	\$1.30	\$0.25	(\$6.00)	\$1.00	\$7.00
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	57,972,979	0.19%	4.53%	478,572	-6.70%	1.47%
Silver	630,513,695	-0.19%	0.29%	206,374	3.56%	6.48%

FROM THE NEWSWIRES

NEW YORK/LONDON, May 25 (Reuters) - Gold prices dropped slightly on Friday, but still remained above \$1,300 as investors digested news of U.S. President Donald Trump saying a meeting with North Korea's leader could still go ahead. Spot gold lost 0.1 per cent at \$1,303.34 per ounce by 1:38 p.m. EDT (1738 GMT), yet was on track for a weekly gain of 0.9 per cent, it's biggest since March. Spot gold earlier hit a 10-day high at \$1,307.80. U.S. gold futures GCcv1 for June delivery settled down 70 cents, or 0.1 per cent, at \$1,303.70 per ounce. "Gold has managed to hold onto a significant chunk of its gains made yesterday despite the U.S. trading conciliatory messages with North Korea again, something which has boosted the global stock markets and the U.S. dollar," said Forex.com analyst Fawad Razaqada. Julius Baer analyst Carsten Menke said the uncertainty over the U.S.-North Korea meeting was likely to have only a temporary impact on gold, traditionally used as a safe place to park assets in times of instability. "Based on this pattern and on gold's very tight relationship with the U.S. dollar, this uplift in price should be temporary and we should fall back below \$1,300 an ounce," he said. The dollar reached a new 2018 high, helped by North Korea saying it was open to resolving issues with the United States. On Thursday, gold rallied above \$1,300 an ounce after Trump said the meeting with North Korea was off. Global shares also steadied, reducing the clamour for gold as a safer asset. Heading into a long holiday weekend in the United States, Dillon Gage's Walter Pehowich said trading activity was virtually mute. Gold had been trading in a range between about \$1,310 and \$1,360 since hitting a 1-1/2 year high in January but was pushed lower this month by a strengthening dollar and rising U.S. bond yields, which reduce the appeal of non-yielding gold. Meanwhile, silver lost 0.6 per cent at \$16.53, headed for a weekly gain of 0.4 per cent. It earlier hit \$16.70, a 1-1/2-week high.

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Gold initially extended the previous week's 2% decline to reach a fresh 2018 low of \$1282.00 on Monday as the USD strengthened and Treasury yields resumed their recent uptrend. However the relative geo-political calm in the Korean peninsular was broken as aggressive rhetoric from Pyongyang prompted a typical 'shoot from the lip' reaction from President Trump to cancel the proposed summit between North Korea and the USA scheduled for 12th June, resulting in an impressive \$25 rally to a high of \$1307.50. Subsequently more conciliatory comments from the White House saw the yellow metal ease back into the close to end the week with a pared \$9.50 or 0.74% gain at \$1301.00 bid and a surprise and progressive meeting between Kim Jong-un and Moon Jae-in over the weekend seems likely to bring the

proposed June 12th Summit back on to table. This in turn could result in a reversal of last week's safe haven driven rally with gold vulnerable to fresh technical and psychological weakness back towards \$1280 if the price moves back down through the pivotal \$1300 level.

In last week's report we made the comment that silver had seemingly lost the battle of the long term moving averages and was on course for \$16, however the Trump driven rally in gold saw silver stage a typically abrupt about turn with the industrial precious metals staging an impressive 2.70% rally from a low of \$16.27 on Monday up through the 100 day MA set \$16.64 to reach a high of \$16.71 on Friday before easing back to end with a modest 6 cents or 0.37% gain at \$16.48 bid. As ever silver's price direction next week will depend on gold and given the likelihood of fresh weakness in the yellow metal we can expect silver to move down towards the key band of long term support located between \$16.25 and \$16.00.



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