



## PRECIOUS METALS WEEKLY REVIEW AND OUTLOOK

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Weekly Price Review For The Week Ending			18-Aug-18	Date			19-Aug-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	\$1,213.75	\$1,160.50	\$1,184.25	(\$26.00)	-2.15%	-9.04%	
Silver	\$15.33	\$14.35	\$14.76	(\$0.52)	-3.40%	-12.92%	
<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	9.00%	9.39%	9.67%	2.15%	2.25%	2.40%	
Silver	15.00%	15.76%	16.10%	2.20%	2.30%	2.55%	
<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	1,035.00	928.00	8,141.00	83,011.00	7,120.00	21,140.00	
WTD Change %	-2.45%	-2.11%	-1.79%	-0.48%	-8.52%	-2.17%	
YTD Change %	-4.61%	-3.73%	-3.93%	-0.15%	44.28%	-8.45%	
<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	12.90	23.14	101.46	1,034.52	278.82	48.82	
WTD Change %	-3.59%	-3.26%	-2.96%	-1.66%	-3.40%	-2.52%	
YTD Change %	-8.45%	-7.98%	44.28%	-7.74%	-4.36%	1.17%	
<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	\$1.50	n/a	\$1.00	\$1.50	\$5.00	
<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	53,875,572	-0.85%	-2.86%	477,827	1.92%	1.31%	
Silver	630,352,988	0.16%	0.26%	237,702	-0.85%	22.64%	

### FROM THE NEWSWIRES

NEW YORK/LONDON, Aug 17 (Reuters) - Gold recovered some ground on Friday as a weakening U.S. dollar relieved pressure on prices, but the precious metal remained near 19-month lows and looked poised for its biggest weekly drop since May 2017. Spot gold added 0.31 per cent to \$1,177.21 by 1:35 p.m. EDT (1735 GMT), but was down 2.7 per cent this week in its sixth consecutive weekly loss. On Thursday, it touched \$1,159.96, the lowest since January 2017.. "The markets are very oversold and the dollar is overbought," said John Caruso of RJO Futures. "It looks like some of the shorts are trying to book some profits." From a 13-month high on Wednesday against a basket of six major currencies .DXY, the dollar has weakened against the currencies of key gold markets, the euro zone and China, helping gold regain its footing, said ABN AMRO analyst Georgette Boole. "I expect the dollar to peak in the coming weeks ... Gold should bottom out here," she said. Gold has tumbled 14 per cent from its April high as a rally in the greenback made dollar-priced bullion more expensive for buyers using other currencies. Investors seeking a safe place to store assets amid trade disputes and a Turkish currency crisis have preferred the dollar to gold, undermining the reputation of bullion as a safe haven. But news of planned U.S.-China trade talks and a partial recovery of Turkey's lira have steadied investors' nerves slightly. Bets on lower prices on the Comex exchange continue to build and now outweigh bets on higher prices by the largest quantity ever recorded. Meanwhile, silver gained 0.3 per cent to \$14.66 an ounce, but was down more than 4 per cent on the week, the biggest weekly loss since February. On Thursday it touched it's lowest since February 2016. Platinum increased 0.2 per cent to \$778.40 an ounce and was set for its biggest weekly drop since November 2015 of about 6 per cent. It hit a 10-year low on Thursday. Palladium gained 1.1 per cent to \$898.90 per ounce, but was down 1.4 per cent this week having struck a one-year low

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## MINDEX ANALYSIS AND OUTLOOK



In last week's report we stated that we expected another attack on \$1200 by the 'fast money' speculators holding record short positions on the COMEX with a clear break and close below this key technical and psychological level likely to see gold fall towards \$1150 and this proved to be an accurate call. After posting a high of \$1213.75 in early trading on Monday, the yellow metal came under sustained selling pressure to reach a 17-month low of \$1160.50 in thin Asian markets on Thursday as investors turned to the US dollar and US treasuries rather than gold amid turmoil in emerging markets currencies following President Trump's

decision to impose sanctions on Turkey for geo-political rather than economic reasons. News of planned trade talks between the US and China, a modest recovery in the TRL and RUB, and physical bargain hunting helped gold to stabilize and recoup some of its losses to end the week with a significant but pared loss of \$26 or 2.15% at \$1184.25 bid. While the 'Battle of \$1200' appears to have been won conclusively by the bears, the way gold bounced off the lows and the .DXY fell back sharply from a 13 month high of 97 at the end of a tumultuous week, suggests that a further recovery in the gold price back towards \$1200 next week could well be possible and a move back up through this pivotal chart point could well spark a wave of short covering that would target \$1215 with potential to reach \$1235.

Silver had a bad week as the so-called industrial precious metals slumped by 6.50% from an early high of \$15.33 posted on Monday to a 30-month low of \$14.35 in early Asian trading on Thursday before recovering to end down 52 cents or 3.40% at \$14.76 bid. The way silver sliced easily down through the key band of long term support located between \$15.25 and \$15.00 has clearly damaged technical sentiment and we would expect this area on the charts to contain any further recovery in the price next week. However given the possibility of gold reclaiming a foothold back above \$1200 it would be foolish to rule out a rally towards \$16 before the summer is over.



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