



PRECIOUS METALS WEEKLY REVIEW AND OUTLOOK

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Weekly Price Review For The Week Ending 07-Sep-18				Date 09-Sep-18		
OTC Spot Market	High Bid	Low Offer	Close	WTD Change \$	WTD Change %	YTD Change %
Gold	\$1,206.75	\$1,189.50	\$1,195.25	(\$5.50)	-0.46%	-8.20%
Silver	\$14.54	\$13.99	\$14.10	(\$0.40)	-2.76%	-16.81%
Options & Forwards	ATM Options Vols			Forward Swaps		
	1 month	3 months	6 months	1 month	3 months	6 months
Gold	9.50%	9.39%	9.67%	2.20%	2.25%	2.45%
Silver	16.00%	15.76%	16.10%	2.15%	2.25%	2.50%
Gold Prices in Other Currencies	EUR	GBP	CNY	INR	TRY	ZAR
Weekly Close	1,035.00	925.00	8,178.00	85,803.00	7,628.00	21,325.00
WTD Change %	0.00%	-0.11%	-0.28%	0.65%	-2.53%	-0.11%
YTD Change %	-4.61%	-4.05%	-3.49%	3.21%	54.57%	-7.65%
Silver Prices in Other Currencies	EUR	GBP	CNY	INR	MXN	PEN
Weekly Close	12.20	21.81	96.47	1,012.10	272.33	46.85
WTD Change %	-2.40%	-2.45%	-2.59%	-1.69%	-1.52%	-2.10%
YTD Change %	-7.65%	-12.51%	54.57%	-13.03%	-18.21%	-14.59%
Physical Premia	Dubai	Hong Kong	Istanbul	Mumbai	Singapore	Shanghai
Gold Kg Bars Ask	\$0.50	\$1.40	\$1.00	\$1.00	\$1.50	\$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	53,107,541	-0.57%	-4.24%	471,006	0.25%	-0.14%
Silver	634,393,309	0.52%	0.91%	209,945	-1.27%	8.32%

FROM THE NEWSWIRES

NEW YORK/LONDON, Sept 7 (Reuters) - Gold fell on Friday as the dollar resumed its rally versus a currency basket after stronger-than-expected payrolls data cemented expectations that the Federal Reserve will raise interest rates in September, in what would be its third hike this year. U.S. jobs growth accelerated in August, with wages notching their largest annual increase in nine years, strengthening views the economy was so far weathering the Trump administration's escalating trade war with China. Spot gold fell 0.4 per cent at \$1,195.48 an ounce by 2:49 p.m. EDT (1849 GMT), and was on track to close the week down 0.5 per cent. "The biggest jump in average hourly earnings this year bashed bonds and drove the dollar higher, which was enough to break gold's two-day winning streak," said Tai Wong, head of base and precious metals trading at BMO Capital Markets in New York. He noted that gold closed under \$1,200 for the second time in four weeks "as market ponders if wage pressures are finally emerging, which may tip the Fed towards a December rate hike." The greenback has soared this year on escalating U.S.-Sino trade tensions, though it has lost some steam this week to rival safe-haven currencies like the yen and Swiss franc even as investors brace for new U.S. tariffs on China.. An overnight report bolstered the yen after suggesting U.S. President Donald Trump would next take up trade issues with Japan, indicating possible headwinds for the dollar. Battered emerging market currencies have also recovered their poise versus the dollar. " Spot silver was up 0.2 per cent at \$14.15 per ounce, while palladium rose 0.6 per cent to \$979.40, after tapping the highest level since June 19 at \$990. Platinum fell 1.6 per cent to \$778.49. The global platinum market will be oversupplied by 295,000 ounces this year as both supply and demand of the autocatalyst metal fall by 2 per cent, the World Platinum Investment Council (WPIC) said on Thursday.

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MINDEX ANALYSIS AND OUTLOOK



Gold came under renewed selling pressure in the early part of the week with the price breaking down through \$1200 to reach a low point of \$1189.50 on Tuesday as the USD strengthened in the face of further turmoil in emerging markets and on-going concerns about trade wars between the US and China. A midweek reversal in fortune for the greenback combined with news that imports into India had doubled in August versus a year earlier, due to the lower gold price, prompted a sharp rally to a high of \$1206.75 on Thursday before robust US employment data published on Friday propelled the USD higher and gold back to \$1195.25 bid by the close, representing a loss of \$5.50 or 0.46% on the week. The latest jobs

numbers have virtually guaranteed another rate hike by the Fed at their September meeting and this will weigh on gold prices in the coming week with a decline towards technical support located at \$1175.00 the likely target for chart watchers, while the fast money hedge funds and money managers will have \$1120 in their sights. However as we have seen from India in August lower gold prices are sure to attract physical buying from the major markets in Asia, while Russia and the former CIS satellite countries are likely to use such weakness to add further to gold reserves as an alternative to the USD.

In last week's report we suggested that any further weakness in gold could see silver test key technical and psychological support set at \$14 and this proved to be the case as the industrial precious metal plunged by 3.75% from a high of \$14.55 in early Asian trading on Monday to a low of \$13.99 on Tuesday, the lowest price since February 2016, as hedge funds and money managers holding record levels of speculative shorts on the COMEX drove home their advantage. The market stabilised as the USD eased lower and gold briefly reclaimed a foothold back above \$1200 with silver bouncing into the low \$14.20's before ending a difficult week down 40 cents or 2.76% at \$14.10 bid. Looking ahead to the coming it looks like being another tough week for silver with the fast money shorts targeting the next major point of chart support located at \$13.75, a level not seen since the end of 2015, with a clear break bringing \$12 on to technical radar screens.



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