



PRECIOUS METALS WEEKLY REVIEW AND OUTLOOK

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Weekly Price Review For The Week Ending				Date		
14-Sep-18				15-Sep-18		
OTC Spot Market	High Bid	Low Offer	Close	WTD Change \$	WTD Change %	YTD Change %
Gold	\$1,212.50	\$1,187.50	\$1,193.25	(\$2.00)	-0.17%	-8.35%
Silver	\$14.35	\$13.92	\$14.04	(\$0.06)	-0.43%	-17.17%
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%	2.50%
Silver	16.00%	15.76%	16.10%	2.20%	2.25%	2.55%
Gold Prices in Other Currencies	EUR	GBP	CNY	INR	TRY	ZAR
Weekly Close	1,026.00	913.00	8,195.00	85,763.00	7,354.00	21,312.00
WTD Change %	-0.87%	-1.30%	0.21%	-0.05%	-3.59%	-0.06%
YTD Change %	-5.44%	-5.29%	-3.29%	3.16%	49.02%	-7.71%
Silver Prices in Other Currencies	EUR	GBP	CNY	INR	MXN	PEN
Weekly Close	12.07	21.48	96.42	1,009.05	265.10	46.43
WTD Change %	-1.07%	-1.52%	-0.05%	-0.30%	-2.65%	-0.90%
YTD Change %	-7.71%	-12.55%	49.02%	-14.35%	-20.38%	-15.36%
Physical Premia	Dubai	Hong Kong	Istanbul	Mumbai	Singapore	Shanghai
Gold Kg Bars Ask	\$0.50	\$1.30	\$0.50	(\$2.00)	\$1.20	\$6.00
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	53,079,472	-0.05%	-4.29%	478,081	1.50%	1.36%
Silver	638,418,821	0.63%	1.55%	203,802	-2.93%	5.15%

FROM THE NEWSWIRES

NEW YORK/LONDON, Sept 14 (Reuters) - Gold turned negative on Friday, as the U.S. dollar rose against the Chinese yuan after U.S. President Donald Trump reportedly told aides to proceed with tariffs on Chinese imports. Trump has directed aides to place tariffs on about \$200 billion of Chinese goods, according to a person familiar with the matter. Bloomberg News first reported Trump's action. "I think that's what's driving gold lower, the dollar higher and the S&P market lower," said Michael Matousek, head trader at U.S. Global Investors. "Companies are theoretically going to make less money because they will get that tax. "After the latest U.S.-China tariff development, the dollar index .DXY extended earlier gains against a basket of currencies, including the yuan, while the S&P 500 declined. Spot gold lost 0.5 per cent at \$1,195.21 per ounce by 1:35 p.m. EDT (1735 GMT), having hit its highest since Aug. 28 at \$1,212.65 on Thursday. It has risen more than 0.1 per cent so far this week, on track for its first weekly gain in three. The months-long trade tension between Washington and Beijing has prompted investors to buy the U.S. dollar, in the belief that the United States has less to lose from the dispute. Gold has shown a close correlation to the currency of China, the biggest gold consuming nation, analysts say. Meanwhile, investors widely expect another U.S. interest rate increase. Higher rates make gold less attractive since it does not pay interest but costs money to store and insure. Gold prices have declined about 12 per cent from a peak of \$1,365.23 in April amid the intensifying global trade tensions and rising U.S. interest rates. In other precious metals, spot silver dropped 0.4 per cent at \$14.10 per ounce, headed for a 0.1 per cent weekly increase.

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Contact us: Suite 204, 2nd Floor, The Catalyst, Silicon Avenue, 40 Cybercity, 72201, Ebène, Republic of Mauritius



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MINDEX ANALYSIS AND OUTLOOK



After failing to maintain a foothold above the pivotal \$1200 level the previous week gold under early selling pressure with the yellow metal falling to a two week low of \$1187.50 on Tuesday in the face of a stronger dollar and amid an escalation of the US – China trade wars rhetoric. However some seeming good news in terms of progress on trade talks between the US and Canada saw the USD ease with gold spiking back above \$1200 to reach a high of \$1212.50 on Thursday before reversing sharply yet again on Friday to end an erratically volatile week down \$2 or 0.17% at \$1193.25 bid on reports that President Trump had ordered the threatened impositions of tariffs to be implemented. Looking ahead the on-going Sino-US trade stand-off seems set to dominate the focus of gold traders with pundits linking the direction of the yellow metal to the fortunes of the CNY and that the weakness of the Chinese currency is impacting physical demand from the world’s number one consumer of gold. On the charts a solid band of support is located between \$1185 and \$1175 that should contain the downside in the week ahead while resistance set between \$1210 and \$1215 is likely to cap the upside with the market set for a further period of technical range trading around the key \$1200 level.

Silver extended its recent (some would say extreme and unwarranted) weakness in the early part of the week to reach a fresh 2 ½ year low of \$13.92 on Tuesday before staging 3% rally to a high of \$14,35 on Thursday following a MACD crossover buy signal on the charts. The industrial precious metal looked set for further gains however the reversal in fortune for gold prompted fresh selling that saw the price fall back to end the week with a marginal 6 cents or 0.43% loss at \$14.04 as the likely impact of the US/China on industrial demand weighed on sentiment. Looking ahead the picture is somewhat confused with the technical outlook seemingly positive while the fast money hedge funds remain significantly short on futures markets. We feel that silver is due for a recovery that should see the price move back towards the 100 day moving average pegged at \$15.70 in Q4, however we may have to see further weakness down



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