



## PRECIOUS METALS WEEKLY REVIEW AND OUTLOOK

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Weekly Price Review For The Week Ending				Date		
21-Sep-18				23-Sep-18		
OTC Spot Market	High Bid	Low Offer	Close	WTD Change \$	WTD Change %	YTD Change %
Gold	\$1,208.25	\$1,191.75	\$1,199.00	\$5.75	0.48%	-7.91%
Silver	\$14.43	\$14.04	\$14.25	\$0.21	1.50%	-15.93%
Options & Forwards	ATM Options Vols			Forward Swaps		
	1 month	3 months	6 months	1 month	3 months	6 months
Gold	8.55%	9.25%	9.60%	2.25%	2.30%	2.55%
Silver	15.75%	16.50%	16.80%	2.25%	2.30%	2.55%
Gold Prices in Other Currencies	EUR	GBP	CNY	INR	TRY	ZAR
Weekly Close	1,020.00	917.00	8,221.00	86,610.00	7,544.00	21,416.00
WTD Change %	-0.58%	0.44%	0.32%	0.99%	2.58%	0.49%
YTD Change %	-5.99%	-4.88%	-2.99%	4.18%	52.87%	-7.26%
Silver Prices in Other Currencies	EUR	GBP	CNY	INR	MXN	PEN
Weekly Close	12.13	21.78	97.70	1,029.28	268.34	46.87
WTD Change %	0.50%	1.40%	1.33%	2.00%	1.22%	0.95%
YTD Change %	-7.26%	-11.39%	52.87%	-13.16%	-19.41%	-14.56%
Physical Premia	Dubai	Hong Kong	Istanbul	Mumbai	Singapore	Shanghai
Gold Kg Bars Ask	\$0.25	\$1.30	\$0.50	(\$5.00)	\$1.20	\$6.50
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	53,076,476	-0.01%	-4.30%	475,376	-0.57%	0.79%
Silver	640,286,660	0.29%	1.84%	205,334	0.75%	5.94%

### FROM THE NEWSWIRES

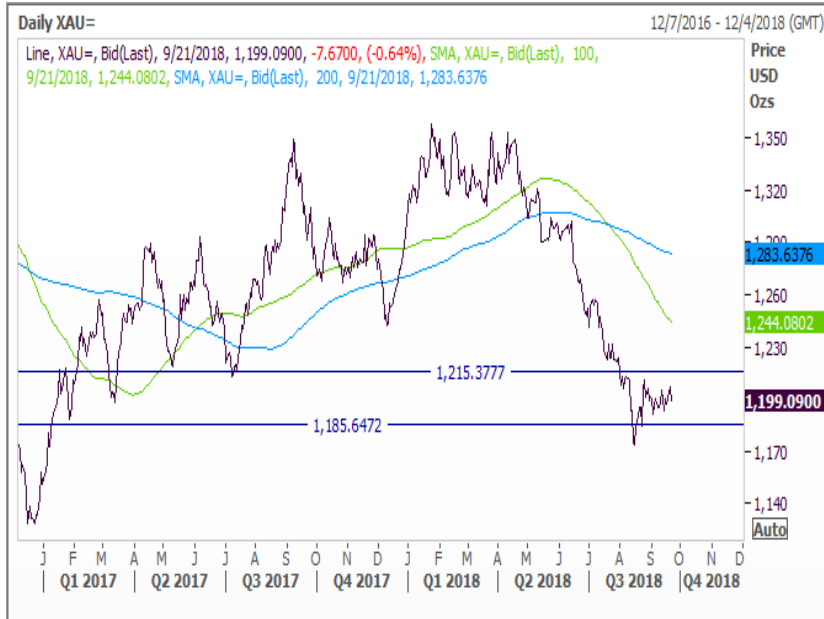
LONDON, Sept 21 (Reuters) - Gold prices fell more than 1 per cent on Friday as the dollar firmed on persistent concerns about an escalating trade war between the United States and China in a week where both sides slapped new tariffs on each other's goods. A decline in the euro and the British pound against the dollar also weighed on prices as a stronger greenback makes dollar-denominated gold more expensive for holders of other currencies. China hopes the United States will show sincerity and take steps to correct its behaviour, its commerce ministry said on Thursday, amid new levies in a long-standing tit-for-tat dispute. Spot gold was 0.6 per cent lower at \$1,199.79 per ounce by 1438 GMT, having touched its lowest since Sept 11 at \$1,191.51, reversing recent gains that had lifted the metal to one-week highs. The euro and the pound were punished after British Prime Minister Theresa May said the European Union must come up with an alternative to her Brexit proposals, saying talks had reached an impasse after the bloc's leaders had rejected her plans without explaining why. Investors are waiting for next week's Federal Reserve meeting, where the U.S. central bank is widely expected to raise benchmark interest rates. Investment bank Goldman Sachs slashed its three, six and twelve-month gold price forecasts but said there were signs that fundamentals were starting to change, with a recent weakening of the dollar and a rebound in Chinese and Indian gold purchases. Among other precious metals, spot silver rose 0.6 per cent to \$14.35 an ounce, after rising to two-week highs of \$14.43.

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



## MINDEX ANALYSIS AND OUTLOOK



Gold had an interesting week as the yellow metal made steady progress on the upside from the previous Friday's close of \$1193 to reach a high point of \$1208.25 on Friday before a sudden 'flash crash' hit the market in New York amid reports of a notional \$1.2 billion of selling on the COMEX in just one minute, driving gold down to a low of \$1191.75. The price quickly stabilised to end a volatile session with a decent gain of \$5.75 or 0.48% at \$1199.00 bid. These 'flash crashes' in highly leverage futures markets are becoming more frequent and suggests either manipulation at worst, or 'clumsy trading' at best, but whatever the motive the result is to cause short term distortion in prices and in terms of gold meant that it ended an otherwise positive week below the pivotal \$1200 level. With the FOMC set to raise interest rates on Wednesday, we could see some early downside

pressure on gold with the band of support in place between \$1190 and \$1185 a possible target on the charts. However we would now see such a move as a buying opportunity as once the Fed makes its expected move, the 'bad news' will be in the price and with Central Banks buying gold at the fastest rate since 2015 in the first half of this year, pointing to diversification away from the dollar, gold is likely to make a sustained move higher with a break back above \$1200 targeting resistance pegged at \$1215 with potential to move towards the 100 day MA set at \$1245.

After a torrid summer that saw silver fall by 20% to a 30 month low of \$13.92, and a 25 year low of 84:1 in terms of its relative value to gold, the industrial precious metal finally broke its losing streak with the price rising steadily from an early low of \$14.04 set in early trading on Monday to a high of \$14.43 bid on Friday before the flash crash in gold pushed silver back to \$14.25 by the close, representing a pared but encouraging gain of 21 cents or 1.50% on the week. The rally confirmed the recent MACD crossover buy signal and with Trade Wars concerns fading, and with it fears over global industrial demand, silver looks set for a recovery that should target resistance pegged at \$14.85 with further potential to challenge the 100 day MA set at \$15.60.



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