



PRECIOUS METALS WEEKLY REVIEW AND OUTLOOK

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Weekly Price Review For The Week Ending			10-May-19	Date	12-May-19	
OTC Spot Market	High Bid	Low Offer	Close	WTD Change \$	WTD Change %	YTD Change %
Gold	\$1,291.25	\$1,276.50	\$1,285.50	\$6.50	0.51%	0.23%
Silver	\$14.97	\$14.67	\$14.75	(\$0.17)	-1.14%	-4.72%
Platinum	\$884.00	\$845.00	\$861.00	(\$8.00)	-0.92%	8.75%
Palladium	\$1,372.00	\$1,267.00	\$1,357.00	(\$14.00)	-1.02%	7.61%
Precious Metals Cross Rates	XAU/XAG	XAU v XPT	XAU v XPD	XPT v XPD	XAU/BRENT	XAU/DJIA
Weekly Close	87.15	\$424.50	(\$71.50)	(\$496.00)	18.20	0.0496
WTD Change %	1.67%	3.54%	22.28%	1.20%	0.84%	2.69%
YTD Change %	5.19%	-13.50%	-432.56%	5.70%	-23.64%	-9.87%
Gold Prices in Other Currencies	AUD	EUR	GBP	INR	RUB	ZAR
Weekly Close	1,836.05	1,144.88	989.08	89,990.71	83,676.75	18,194.20
WTD Change %	0.85%	0.30%	1.90%	1.86%	0.53%	-0.80%
YTD Change %	0.99%	2.40%	-1.58%	0.90%	-6.34%	-1.10%
Physical Swaps	Dubai	Hong Kong	Mumbai	Singapore	Shanghai	Tokyo
Gold Kg Bars Bid	\$0.25	\$0.60	\$2.50	\$0.60	\$8.00	\$0.50
Interest Rates & Forward Swaps	1 month	2 months	3 months	6 months	1 year	2 years
USD Libor	2.44900%	2.48063%	2.52788%	2.58163%	2.70213%	n/a
Gold	2.60%	2.61%	2.61%	2.60%	2.57%	2.33%
Silver	2.66%	2.70%	2.72%	2.73%	2.79%	2.71%
Platinum	2.57%	2.53%	2.00%	2.45%	2.40%	2.35%
Palladium	0.00%	-0.50%	-1.00%	-1.50%	-2.25%	-2.50%
ATM Option Volatility	1 month	2 months	3 months	6 months	1 year	2 years
Gold	7.50%	7.75%	8.05%	8.80%	9.80%	10.95%
Silver	12.60%	13.15%	13.60%	14.85%	16.40%	17.50%
Platinum	16.00%	16.05%	16.05%	16.50%	17.00%	n/a
Palladium	26.50%	26.40%	26.40%	28.75%	29.00%	n/a
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	53,720,420	-0.75%	-3.03%	490,763	10.99%	8.62%
Silver	612,625,600	0.11%	-0.74%	202,115	0.73%	14.73%
Platinum	2,485,592	-0.15%	22.47%	75,733	1.65%	-8.58%
Palladium	692,558	-0.92%	-7.10%	21,240	-1.85%	-20.69%
Other Major Markets	.DXY	TR CRB	BRENT	CME COPPER	10Y US TRY %	DJIA
Weekly Close	97.323	187.06	\$70.62	\$2.786	2.4707%	25,942.37
WTD Change %	-0.16%	-1.50%	-0.32%	-1.35%	-2.2202%	-2.12%
YTD Change %	1.20%	6.31%	31.26%	6.01%	-8.1865%	11.21%

- ❖ Gold rallied to a high of \$1291.25 on concerns over US/China trade talks and Iran tensions, ended up 0.51% at \$1285.50
- ❖ Silver hurt by demand implications of trade wars, fell to a low \$14.67 before ending down 1.14% at \$14.75
- ❖ Platinum had another tough week, fell to a low of \$845 on trade war fears, ended with pared 0.92% loss at \$861
- ❖ Palladium plunged 7.65% from \$1372 to \$1267, bounced 7.1% to end down 1.02% at \$1357, briefly fell below gold.

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ANALYSIS AND OUTLOOK



Gold started the week against the backdrop of President Trump’s unexpected warning that the US was set to intensify Sino/US trade wars by hiking tariffs on \$200 billion of Chinese exports to the US by 25% and a move by the US to increase the geo-political pressure on Iran. This prompted turmoil in global equity markets and signalled a sustained rally in gold from an early low of \$1275.50, posted on Monday, to reach a high point of \$1291.25 on Wednesday ahead of the planned meeting in Washington between the US and China. Although President Trump carried out his threat to increase tariffs, gold eased backed to end the week

with a pared gain of \$6.50 or 0.51% gain at \$1285.50 as the USD rallied and US equities clawed back earlier losses on hopes that the trade related differences between the world’s two top economies can be resolved. However there is a danger of talks breaking down (a la North Korea), and with the geo-political situation in the Middle East a growing concern, gold looks set to probe higher next week with the 100 day moving average set at \$1295 the target on the charts.

Once again silver flattered to deceive as the industrial precious metal ignored the rally in the gold price to track base metals lower in the wake of the negative industrial demand impact on the global economy of the on-going trade wars between the US and China. Silver briefly probed higher on Monday to reach a peak of \$14.97 however it fell 2% to a low of \$14.67 on Thursday before short covering into the close on Friday saw the price end the week with a disappointing 17 cents or 1.14% loss at \$14.75 bid. Looking ahead it is difficult to predict whether silver will follow gold’s likely rally if the US/China trade talks fail, or track copper lower on global economic



growth concerns. Key levels to watch on the charts are support set at \$14.50 and stiff resistance from the 200 day MA pegged at \$14.94 with a break outside of these technical parameters likely to yield between 25 and 50 cents.

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Platinum had a decent start to the week with the price rising to a high of \$884 on Tuesday before the negative demand implications on the auto sector that a breakdown in Sino/US trade talks would have, prompted a wave of selling that saw the noble metal fall to a low of \$845 on Friday before recovering into the close to end down \$8 or 0.92% at \$861 bid. All eyes will be on Washington next week for signs on the trade talks that are crucial to the global economy with some kind of agreement likely to spark a rally towards key long term resistance set at \$915 while a complete failure would result in a test of the band of support provided by the 100 day MA at \$838 and 200 day MA at \$825.

In last week's report we had warned that palladium was set for a period of price volatility with a focus on the downside. This proved to be a good call as the price plummeted by 7.65% from an early high of \$1372 on Monday to \$1267 on Thursday, the lowest level since early January, before snapping back by 7.1% to \$1357.00 bid by the close on Friday representing a modest loss of \$14 or 1.02% on the week. As with all industrial metals, the immediate price direction for palladium is likely to be determined by what happens between the US and China next week, with a further period of extreme price movements to be expected within technical parameters set by the 200 day moving average located at \$1238 and the 100 day MA at \$1405. It is worth notice that Thursday sell-off saw palladium briefly fall below the gold price for the first time since January and it quite possible that a full on trade war between the US and China would see gold regain its' position as the most precious of precious metals.



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