



PRECIOUS METALS WEEKLY REVIEW AND OUTLOOK

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Weekly Price Review For The Week Ending			14-Jun-19	Date	16-Jun-19	
OTC Spot Market	High Bid	Low Offer	Close	WTD Change \$	WTD Change %	YTD Change %
Gold	\$1,358.00	\$1,319.50	\$1,341.25	\$1.25	0.09%	4.58%
Silver	\$15.11	\$14.62	\$14.87	(\$0.12)	-0.80%	-3.94%
Platinum	\$820.00	\$797.00	\$799.00	(\$7.50)	-0.93%	0.92%
Palladium	\$1,470.00	\$1,350.00	\$1,465.00	\$108.00	7.96%	16.18%
Precious Metals Cross Rates	XAU/XAG	XAU v XPT	XAU v XPD	XPT v XPD	XAU/BRENT	XAU/DJIA
Weekly Close	90.20	\$542.25	(\$123.75)	(\$666.00)	21.63	0.0514
WTD Change %	0.90%	1.64%	-627.94%	-20.98%	2.16%	-0.31%
YTD Change %	8.87%	10.49%	-675.58%	41.93%	-9.27%	-6.49%
Gold Prices in Other Currencies	AUD	EUR	GBP	INR	RUB	ZAR
Weekly Close	1,951.76	1,196.80	1,065.33	93,636.95	86,332.91	19,896.50
WTD Change %	1.93%	1.20%	1.24%	0.78%	-0.53%	-0.67%
YTD Change %	7.36%	7.05%	6.00%	4.99%	-3.37%	8.16%
Physical Swaps	Dubai	Hong Kong	Mumbai	Singapore	Shanghai	Tokyo
Gold Kg Bars Bid	(\$1.00)	\$0.50	(\$7.00)	\$0.60	\$10.00	\$0.00
Interest Rates & Forward Swaps	1 month	2 months	3 months	6 months	1 year	2 years
USD Libor	2.38175%	2.40200%	2.45063%	2.37788%	2.34763%	n/a
Gold	2.49%	2.49%	2.45%	2.35%	2.13%	1.86%
Silver	2.62%	2.62%	2.62%	2.51%	2.29%	2.11%
Platinum	2.40%	2.35%	2.35%	2.30%	2.15%	1.95%
Palladium	-0.50%	-0.75%	-1.00%	-1.50%	-2.25%	-2.50%
ATM Option Volatility	1 month	2 months	3 months	6 months	1 year	2 years
Gold	10.15%	10.30%	10.35%	10.85%	11.40%	12.50%
Silver	14.45%	14.85%	14.95%	15.80%	16.90%	17.80%
Platinum	16.65%	16.65%	16.65%	16.25%	16.25%	n/a
Palladium	30.15%	30.25%	29.25%	28.50%	27.85%	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	50,877,183	-6.08%	-8.16%	525,660	4.26%	16.34%
Silver	537,279,514	-12.19%	-12.95%	233,302	5.09%	32.44%
Platinum	2,413,328	-1.88%	18.91%	88,609	1.84%	6.97%
Palladium	567,451	-15.61%	-23.88%	20,814	12.09%	-22.28%
Other Major Markets	.DXY	TR CRB	BRENT	CME COPPER	10Y US TRY %	DJIA
Weekly Close	97.445	183.14	\$62.01	\$2.639	2.0821%	26,089.61
WTD Change %	0.91%	0.27%	-2.02%	0.55%	-0.0288%	0.41%
YTD Change %	1.32%	4.08%	15.26%	0.42%	-22.6273%	11.84%

- ❖ Gold surged to 14 month high of \$1358 as speculation about cuts by the Fed intensified, fell back to end at \$1341
- ❖ Silver gave up earlier gains to end down 0.8% at \$14.87, gold/silver ratio fell to multi year lows at 90:1
- ❖ Platinum ended below \$800, looks vulnerable to fresh weakness with support at \$775 the target
- ❖ Palladium regained its MVPM status, ended up 8% at \$1465, could challenge all time high of \$1620

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ANALYSIS AND OUTLOOK



After making a decisive ‘Trump’s Trade Wars’ driven break to the upside the previous week that had seen gold reach \$1348, news released last weekend that the US and Mexico had reached an agreement sparked an early sell off that saw the yellow metal fall to a low of \$1319.50 by Tuesday. Benign US producer and consumer inflation data and a sharp increase in US weekly jobless claims intensified the growing expectations for interest rate cuts by the Fed prompting another major rally in the gold price to a 14 month high of \$1358.00 in Europe on

Friday, however robust US retail sales numbers sparked a wave of profit taking that saw the price fall back to end barely higher on the week at \$1341.25 bid. Looking ahead global financial and commodity markets could be in for a bumpy ride with all eyes on the Fed meeting starting on Tuesday while the growing geo-political tensions in the Middle East and the US/China Trade stand off will continue to be major factors to watch. Looking at the charts, strong support is now in place at \$1320, which should contain any weakness, while stiff long-term resistance pegged at \$1365 will be a difficult overhead barrier to penetrate, suggesting a period of erratically nervous trading within these technical parameters.

Silver had a difficult start to the week as the industrial precious metal fell from the previous Friday’s close of \$14.99 to an early low of \$14.62 on Monday in the wake of the weaker gold price following the resolution of the US/Mexico immigration issues. This was followed, however by a sustained rally that saw silver briefly reclaim a foothold back above the pivotal \$15 level on Friday, reaching a high of \$15.11, before reversing direction once again to end a volatile week down 12 cents or 0.80% at \$14.87 bid. The failure to make a real pass at the 100 day moving average set at \$15.15 and the subsequent close below the 200 day moving average pegged at \$14.92 was technically disappointing and could leave silver vulnerable on the downside with the band of support located between \$14.75 and \$14.60 the potential target on the charts. However with silver looking extremely cheap in its own right, and on the cross versus gold with the gold/silver ratio falling to (almost) historic lows at 90:1, such a move would surely attract long term strategic investors with clear potential to reach \$16.25 on the charts once the \$15 hurdle has been conclusively overcome.



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Platinum showed some early strength following the resolution of the spat between President Trump and Mexico, which had threatened the cross border trade in the auto sector and industrial demand from the US car industry, with the price rising from a low of \$797 on Monday to \$820 on Wednesday before falling back to end a lacklustre week down \$7.50 or 0.93% at \$799.00 bid. The close back below \$800 was psychologically disappointing leaving the noble metal vulnerable on the downside with \$775 the logical target and chart watchers well aware that a break below this key long term point of technical support could yield a further

\$150, however fundamental traders will be hoping for a resolution of the Trade Wars stand off between the US and China, which would give a boost to global growth and industrial demand and the beleaguered platinum price.

After a period of relative calm that briefly saw it lose the Most Valuable Precious Metals tag, palladium burst into life following the resolution of the US/Mexico dispute with the price surging by almost 9% from an early low of \$1350 on Monday to a high of \$1470 on Friday before ending the week up an impressive \$108 or 7.98% at \$1465. The way palladium sliced up through the 200-day moving average pegged at \$1384, despite no real change in lease rates or the nearby physical liquidity profile, suggests that the rally was driven by the fast money specs well aware that a clear break and close above resistance located at \$1475 would bring the all time high of \$1620 set in March back on to technical radar screens.



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