



PRECIOUS METALS WEEKLY REVIEW AND OUTLOOK

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Weekly Price Review For The Week Ending				Date		
12-Jul-19				13-Jul-19		
OTC Spot Market	High Bid	Low Offer	Close	WTD Change \$	WTD Change %	YTD Change %
Gold	\$1,426.00	\$1,386.50	\$1,415.50	\$16.00	1.14%	10.37%
Silver	\$15.31	\$14.93	\$15.21	\$0.24	1.60%	-1.74%
Platinum	\$832.00	\$804.00	\$827.50	\$23.00	2.86%	4.52%
Palladium	\$1,605.50	\$1,536.00	\$1,545.50	(\$21.00)	-1.34%	22.56%
Precious Metals Cross Rates	XAU/XAG	XAU v XPT	XAU v XPD	XPT v XPD	XAU/BRENT	XAU/DJIA
Weekly Close	93.06	\$588.00	(\$130.00)	(\$718.00)	21.22	0.0518
WTD Change %	-0.45%	-1.18%	22.16%	5.77%	-2.63%	-0.37%
YTD Change %	12.33%	19.82%	-704.65%	53.01%	-11.00%	-5.80%
Gold Prices in Other Currencies	AUD	EUR	GBP	INR	RUB	ZAR
Weekly Close	2,017.24	1,256.10	1,125.83	97,032.53	89,162.63	19,786.14
WTD Change %	0.60%	0.74%	0.73%	1.31%	-0.10%	-0.21%
YTD Change %	10.96%	12.35%	12.02%	8.80%	-0.20%	7.56%
Physical Swaps	Dubai	Hong Kong	Mumbai	Singapore	Shanghai	Tokyo
Gold Kg Bars Bid	(\$2.00)	(\$0.30)	(\$20.00)	\$0.60	\$10.00	\$0.00
Interest Rates & Forward Swaps	1 month	2 months	3 months	6 months	1 year	2 years
USD Libor	2.33200%	2.33738%	2.32225%	2.20063%	2.17938%	n/a
Gold	2.61%	2.57%	2.54%	2.49%	2.15%	1.80%
Silver	2.65%	2.64%	2.59%	2.53%	2.29%	2.00%
Platinum	2.36%	2.40%	2.35%	2.23%	2.03%	1.95%
Palladium	-0.50%	0.00%	-0.33%	-1.25%	-1.75%	-2.50%
ATM Option Volatility	1 month	2 months	3 months	6 months	1 year	2 years
Gold	12.65%	12.50%	12.30%	12.10%	12.10%	13.25%
Silver	15.90%	16.05%	16.20%	16.75%	17.65%	18.95%
Platinum	17.35%	17.35%	17.15%	17.30%	17.30%	n/a
Palladium	27.85%	29.85%	29.85%	29.00%	28.70%	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	55,832,710	0.10%	0.79%	604,885	-0.61%	33.87%
Silver	638,099,100	1.43%	3.38%	218,888	-1.65%	24.26%
Platinum	2,592,047	0.87%	27.71%	77,155	-4.24%	-6.86%
Palladium	638,693	-0.07%	-14.33%	25,221	1.69%	-5.83%
Other Major Markets	.DXY	TR CRB	BRENT	CME COPPER	10Y US TRY %	DJIA
Weekly Close	96.722	193.47	\$66.72	\$2.692	2.1219%	27,332.03
WTD Change %	-0.47%	2.03%	3.88%	1.09%	4.1526%	1.52%
YTD Change %	0.57%	9.95%	24.01%	2.44%	-21.1483%	17.17%

- ❖ Gold traded erratically between \$1386.50 and \$1426, ended up 1.14% at \$1415.50, could challenge YTD high of \$1438.50
- ❖ Silver gained 1.60% to end at \$15.21, looks set to trade between \$15.00 and \$15.50 before breaking towards \$16.25
- ❖ Platinum held impressively above \$800, posted 2.86% gain to end at \$827.50, now looks set to test 100 day MA at \$842.
- ❖ Palladium extended its 6-week rally to \$1605, suffered 4.67% reversal on Friday to \$1530, ended down 1.34% at \$1545.50

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MINDEX ANALYSIS AND OUTLOOK

Gold, spot (USD) <NetDania rt> (Bid), Daily, # 500 / 1000, SMA100=1,318.173, SMA200=1,288.224



Gold's recent period of heightened price volatility, that commenced at the start of June when the yellow metal finally made a clear break above the previously pivotal \$1300 level, extended into another week with an early fall to a low of \$1386.50 on Tuesday, down from the previous Friday's close of \$1399.50. The main drivers of this sell-off was a sharp reduction in the possibility of an aggressive 50bp cut in interest rates by the Fed at their next meeting at the end of this month following the best US employment data of 2019 and a rally in the .DXY to a three week high. However Fed Chairman

Powell's dovish midweek testimony to Congress pointed to the likelihood of a modest 25bp cut, coming to the gold bulls rescue, sparking a rally to a high of \$1426 on Thursday before easing back to end in mid range at \$1415.50 bid, representing an encouraging \$16 or 1.14% gain on the week. Looking ahead we are likely to see gold continue to gyrate within a trading range set by psychological support at \$1400 and resistance from this year's high, just shy of \$1440, until the Fed's next meeting on 30th and 31st July with bets being placed either way on 'will they, won't they" by the Fed. We suggest playing the range but having the discipline to cover a breakout, especially on the upside with little technical resistance evident between \$1450 and \$1600.

Silver begrudgingly followed gold lower at the start of the week with the price falling marginally to a low of \$14.93 by Tuesday but this was followed by a smart rally to a high of \$15.31 on Thursday as US equity markets surged to record levels on optimism for global growth from the likelihood of a Fed interest rate cut and perceived progress in Sino/US trade talks. The industrial precious metal then eased back to end a positive week up 24 cents or 1.60% at \$15.21 and now 'feels' comfortable above \$15 with the long term moving averages set at \$15.03 (100 day) and \$15.01 (200 day) providing solid technical support while chart watchers will be well aware the a clear break above the long term downtrend that intersects at \$15.50 and dates back to August 2013 will target the next main point of resistance set at \$16.25. Adding to the bullish chart picture are reports of a massive commercial long being built with the specs very short, leaving the market vulnerable to a major rally towards \$21 especially if gold stages a breakout on the upside. We could be in for an interesting summer.

Silver, spot (USD) <IDC lite> (Bid), Daily, # 432 / 800, SMA100=15.03811, SMA200=15.01050



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Platinum <IDC lite> (Bid), Daily, # 447 / 600, SMA100=842.857, SMA200=830.024



Although platinum appeared to be technically vulnerable on the downside, the noble metal never looked like breaking below the psychologically important \$800 level with the price rising steadily from an early low of \$804 to reach a high point of \$832 on Thursday before easing back to end the week with an encouraging, and sector leading gain of \$23 or 2.86% gain at \$827.00 bid. Signs of modest progress in trade talks between the US and China and the probability of an easier money policy from the Euro Zone helped sentiment in a precious metals that has had a torrid time in recent years and

technical traders will now be focussed on the upside with a break and close above the 200 day moving average pegged at \$830 will set up a move towards the 100 day MA now located at \$842, while chart watchers will be well aware that the next two main points of resistance are set at \$875 and \$915.

Palladium has enjoyed a sustained rally since the 'Most Valuable Precious Metal' made a clear break up through the 100 day moving average, then set at \$1400, in the early part of June and it started the new week with a sustained extension of this strong upside move to reach a high of \$1605 of Thursday in the wake of the dovish comments by Jerome Powell in his midweek appearance before Congress. However a sudden reversal of fortune on Friday on renewed Sino/US trade wars concerns saw the price plummet by \$75 or 4.67% before steadying into the close to end the week down \$21 or 1.34% at \$1545.50, bucking the generally bullish trend in the precious metals sector. This unexpected sell off seems likely to be

Palladium <IDC lite> (Bid), Daily, # 408 / 600, SMA100=1,442.333, SMA200=1,341.634



extended in the coming week but should find modest technical support at \$1500 while on the topside \$1600 has been established as a point of overhead resistance, suggesting a period of sideways trading within these technical parameters.

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