



PRECIOUS METALS WEEKLY REVIEW AND OUTLOOK

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Weekly Price Review For The Week Ending 23-Aug-19				Date 24-Aug-19		
OTC Spot Market	High Bid	Low Offer	Close	WTD Change \$	WTD Change %	YTD Change %
Gold	\$1,529.50	\$1,492.00	\$1,526.00	\$12.25	0.81%	18.99%
Silver	\$17.47	\$16.84	\$17.39	\$0.31	1.81%	12.34%
Platinum	\$869.00	\$839.00	\$853.50	\$9.00	1.07%	7.80%
Palladium	\$1,495.50	\$1,443.00	\$1,460.00	\$12.00	0.83%	15.78%
Precious Metals Cross Rates	XAU/XAG	XAU v XPT	XAU v XPD	XPT v XPD	XAU/BRENT	XAU/DJIA
Weekly Close	87.75	\$672.50	\$66.00	(\$606.50)	25.72	0.0595
WTD Change %	-0.99%	0.49%	-0.38%	-0.50%	-0.38%	1.82%
YTD Change %	5.92%	37.04%	206.98%	29.25%	7.88%	8.30%
Gold Prices in Other Currencies	AUD	EUR	GBP	INR	RUB	ZAR
Weekly Close	2,259.40	1,369.35	1,242.97	109,096.79	100,708.37	23,251.51
WTD Change %	1.20%	0.31%	-0.24%	1.29%	0.09%	0.43%
YTD Change %	24.28%	22.48%	23.68%	22.32%	12.72%	26.39%
Physical Swaps	Dubai	Hong Kong	Mumbai	Singapore	Shanghai	Tokyo
Gold Kg Bars Bid	(\$2.00)	\$0.50	(\$31.00)	\$0.50	\$8.00	(\$0.25)
Interest Rates & Forward Swaps	1 month	2 months	3 months	6 months	1 year	2 years
USD Libor	2.13950%	2.24575%	2.14438%	2.04250%	1.97325%	n/a
Gold	2.45%	2.34%	2.31%	2.21%	1.87%	1.47%
Silver	2.56%	2.51%	2.46%	2.36%	2.16%	1.85%
Platinum	2.42%	2.38%	2.30%	2.10%	1.80%	1.70%
Palladium	-0.25%	-0.25%	-0.75%	-1.45%	-1.50%	-2.25%
ATM Option Volatility	1 month	2 months	3 months	6 months	1 year	2 years
Gold	13.95%	13.90%	13.85%	13.55%	13.90%	15.00%
Silver	21.60%	21.85%	22.00%	22.40%	23.00%	24.60%
Platinum	17.10%	17.25%	17.30%	16.60%	17.30%	n/a
Palladium	28.40%	28.40%	28.40%	29.00%	28.50%	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	56,876,200	0.86%	2.67%	629,465	4.63%	39.31%
Silver	636,223,700	1.48%	3.08%	239,753	0.40%	36.10%
Platinum	2,631,360	1.54%	29.65%	77,495	1.57%	-6.45%
Palladium	626,562	-0.07%	-15.95%	21,883	-4.84%	-18.29%
Other Major Markets	.DXY	TR CRB	BRENT	CME COPPER	10Y US TRY %	DJIA
Weekly Close	97.263	179.19	\$59.34	\$2.540	1.5317%	25,628.90
WTD Change %	-0.96%	0.00%	1.19%	-2.33%	-1.8519%	-0.99%
YTD Change %	1.13%	1.84%	10.30%	-3.37%	-43.0806%	9.87%

- ❖ Gold rose sharply on Friday on China tariff retaliation, dovish Powell speech, ended up 0.81% at \$1526, set for further gains
- ❖ Silver ranged between \$16.84 and \$17.47, ended up 1.81% at \$17.39, break above \$17.50 targets \$18.50
- ❖ Platinum traded between \$839 and \$869, closed up 1.07% at \$853.50, technical outlook positive, upside target \$900
- ❖ Palladium gained 0.83% to end at \$1460 after trading between \$1495 and \$1443, could revisit \$1600, regain MVPM crown

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ANALYSIS AND OUTLOOK



Gold started the new week on the back foot with the price falling on Monday to \$1492 from the previous Friday's close of \$1514 as recessionary fears receded and a degree of risk appetite returned to global financial markets with rising US bond yields and stronger equities. This early weakness was followed over the next three days by a period of range trading pivoting around \$1500 as traders hit the pause buttons ahead of the Central Bank gathering in Jackson Hole with a key highlight being the address by Fed Chairman Powell on Friday. This speech was interpreted by the market as dovish, underpinning expectations of any 25 basis

point cut in US interest rates by the Fed at their next meeting in September, and coincided with a retaliatory move by China to hike tariffs on \$75 billion of US goods than led to an angry response by President Trump with demands that the US companies look at manufacturing alternatives to China. As expected the dollar, equities, and energy prices fell in reaction with gold surging to a high of \$1529.50 before falling back to end up \$12.25 or 0.81% at \$1526.00 bid and unless we see some unexpectedly positive news about the US/China trade wars over the weekend gold looks set to post a fresh high for the year in the coming week with \$1600 looming on technical radar screens. On the downside any set backs in the gold price are now likely to find willing buyers between \$1450 and \$1400 with investors growing increasingly concerned about the health of the global economy.

As ever silver followed the same trading pattern as gold with an early sell-off to a low of \$16.84 on Monday as the reversal from the previous week's 19 month high of \$17.50 picked up pace, however this weakness proved to be short lived with the industrial precious metal spending much of the week trading around \$17. The sudden move by China to retaliate aggressively in the trade war with the US produced a sharp rally in silver on Friday to a high of \$17.47 before easing back to end with a sector leading 31 cents or 1.81% gain at \$17.39 bid. With gold set to probe higher next week silver now seems likely to extend its amazing



rally that has seen the price gain almost 13% so far in August with chart watchers having resistance set at \$18.50 in their sights. However with the 30 day RSI sitting just below 70 this would surely push silver into over bought territory that could lead to a bout of heavy profit taking back towards \$16.50.

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Platinum had a choppy start to the week with the price rising from the previous Friday's close of \$844.50 to \$857 on Monday before easing back to a low of \$839 on Wednesday, only to track gold higher on Friday to reach a peak of \$869 on the back of Fed Chairman Powell's dovish speech and the increase in US/Sino trade war tensions before ending up \$9 or 1.07% at \$853.50. Chart watchers will be highly

encouraged by the way the noble metal has held above the 100 day moving average at \$842 and the 200 day MA at \$830 and any kind of positive breakthrough in talks between the US and China would surely spark a rally towards \$900 while on the downside it is very difficult to see platinum penetrating strong long term support set at \$800.



Palladium had a strong start to the week with the price surging from an early low of \$1443 on Monday to a high of \$1495 on Tuesday on technical momentum buying with traders eyeing another break above the pivotal \$1500 level and a premium over the gold price. However the rally quickly ran out of steam and eased lower through the rest of the week to end with a pared \$12 or 0.83% gain at \$1460.00 bid but well above the long term moving averages with the 100 day set at \$1432 and the 200 day MA at \$1396. A slight tightening of the prevailing backwardation was supportive and if short term metal availability becomes tight once again it could be the catalyst that drives back towards its all time high of \$1620 and to reclaiming the MVPM crown.

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