



11-July-2017	GOLD		SILVER		PLATINUM		PALLADIUM	
	Bid	Offer	Bid	Offer	Bid	Offer	Bid	Offer
OPEN	1219.75	1220.25	15.9050	15.9350	905.20	908.20	858.35	861.35
HIGH	1225.75	1226.25	16.0200	16.0500	921.30	924.30	870.20	873.20
LOW	1213.05	1213.55	15.7350	15.7650	900.00	903.00	854.65	857.65
CLOSE	1220.05	1220.55	15.9100	15.9400	916.55	919.55	867.05	870.05
EFP	-0.85	-0.75	-0.0450	-0.0350	1.00	2.00	-6.50	-2.50
LBMA Prices AM/PM	1219.40	1212.80	15.83		905.00	919.00	853.00	866.00
Active Contract	GCQ7 Comdty		SIU7 Comdty		PLV7 Comdty		PAU7 Comdty	

MACRO:

- U.S. equities rose on Wednesday as investors parsed through testimony from Fed Chair Janet Yellen, with the overall result being more dovish than expected.
- The DJIA rose +123.07 points, or +0.57%, to 21,532.14, the S&P500 advanced +17.72 points, or +0.73%, to 2,443.25 and the Nasdaq advanced +67.866 points, or +1.10%, to 6,261.17.
- Tech (+1.31%) and REITs (1.32%) were the top performers, while the worst performing sectors were financials (+0.11%) and energy (+0.30%).
- European stocks by and large had their best night in 3 months as Federal Reserve Chair Janet Yellen made it clear that the Fed will not rush to tighten monetary policy whilst inflation remains below target.
- The FTSE Euro First 300 index leapt +23.98 points, or +1.61% to 1,514.59 and the Euro Stoxx 600 rallied +5.75 points, or +1.52% to 384.90. Regionally the DAX pushed up +1.52%, FTSE100 +1.19% and CAC40 +1.59%.
- The U.S. 2y note yield shrugged off -3.22bps to 1.3429% and the 10y bond yield tanked -4.28bps to 2.3177% following the release of Yellen's dovish address.
- August WTI crude added +\$0.35, or +0.78% to US\$45.39 a barrel as U.S. inventory numbers confirmed a draw down was in train. This was further helped by news that Saudi Arabia has been reducing its shipments to the US to help reduce the stockpile, and that in August the Saudi's will further crimp its exports.



- The Bank of Canada delivered its first rate hike in seven years overnight (from 0.5% to 0.75%) and the tone of the statement was more hawkish than expected by markets, suggesting its hiking path is behind the curve as output gap closes quicker than expected.
- The CAD rallied sharply as a result (USDCAD down -1.25% to 1.2751) and Canadian front end rates rose.
- There wasn't too much to take away from Fed Chair Yellen's testimony. As already well signalled, the Fed anticipates it will start reducing its balance sheet "this year" and that the funds rates "would not have to rise that much further" to achieve a more neutral level. The market jumped however on her views on inflation, where she noted that lower inflation was only "partly the result" of declines in certain categories of inflation (pharma and cell phones), compared to previous statements that placed more weight on these 'transitory' forces. While she also noted that "it is premature to reach the judgment that we are not on the path to 2% inflation over the next couple of years", there does seem to be a little more second guessing going on.
- UK May employment data was firmer than expected, with jobs growth of +175k over the past three months. The unemployment rate fell - 0.1% to 4.5%. Earnings also beat expectations, up 2.0% (+1.9% expected) from an upwardly revised 1.8%, but are running well below inflation.

PRECIOUS:

- Gold followed the general USD sell-off following Yellen's congressional address, briefly spiking above \$1225 but quickly trading back towards \$1220.
- A rather uneventful day in Asia with the gold rising slowly towards \$1220, more from a decline in the USDJPY than any significant interest.
- The metal slowly declined throughout the European session on limited summer time flows and traders awaiting Yellen.
- Gold rallied strongly from \$1214 to \$1225 proceeding the release of Yellen's speech, in line with the fall in bond yields and the USD. Unable to hold onto this however, slowly sinking back towards \$1220 by the end of the session.
- Comex longs sit at their lowest levels for the year (10.7 million oz) and shorts have expanded over the past month - leaving the metal susceptible to a short covering rally.
- Support sits between \$1195-1200 (Series of YTD lows in March) and resistance at \$1229.85 (200 dma).
- Physical demand in India, South East Asia is beginning to show some signs of life. China however remains fairly flat.
- ETF activity has been fairly flat this week, the SPDR remaining unchanged at around 832.39 tons (26.8 million oz) worth of holdings.
- Silver touched \$16.00 for the first time since last Friday's flash crash, but was unable to hold above there for long.
- Platinum continues to push through, finally accelerating through \$900 yesterday to post a high of \$921, where it currently remains.
-

PRE-ASIA COMMENT:

- Gold and silver fairly flat in the lead up to the China open this morning (\$1219.50 & \$15.90)
- Both metals pop higher after the China open - \$1221 and \$15.95 - with the SGE premium higher also at around \$10-11 spot
- Expect a fairly slow day in Asia across PM's



Data releases today: Chinese trade data, German and French CPI, U.S. jobless claims and PPI