



	GOLD	SILVER	PLATINUM	PALLADIUM
OPEN	1249.90/10	16.48/50	926/28	860/62
HIGH	1249.90/10	16.50/52	926/28	864/66
LOW	1244.50/70	16.35/37	922/24	857/59
LAST LEVEL	1244.50/70	16.35/37	923/25	861/63

Range Asian Hours (from Globex open)

MACRO: The U.S. Federal Housing Finance Agency (FHFA) reported their house price index increased +0.4% MoM during May (exp: +0.5%), taking annualised growth to +6.9%. Meanwhile the S&P CoreLogic Case-Shiller national house price index increased +0.1% MoM during May (exp: +0.3%) to see the YoY growth at +5.69% (exp: +5.80%). Consumer Confidence in the U.S. surged higher during July according to the latest report from the conference board. The consumer confidence index jumped to 121.1 (exp: 116.5) from 117.3 previously, marking the highest reading since 2000. The headline print was supported by an increase to the present situation index to 147.8 from 143.9 previously, while the expectations index pushed higher to 103.3 from 99.6 previously. Equities in the U.S. pushed higher on Tuesday, however the broader market saw gains tempered somewhat by a -5.05% fall to 3M Co. following softer than expected earnings results. Positive results to McDonald's Corp. (+4.75%) and Caterpillar Inc. (+5.88) helped to off-set the 3M related declines and see the DJIA +0.47% higher at 21,613.43 points. The S&P 500 saw gains to financials (+1.27%), energy (+1.26%) and materials (+1.16%) support the bourse +0.29% higher to 2,477.13 points, while the Nasdaq Composite managed to eke out a +0.02% gain to post a fresh record closing high, however saw declines to Google-parent Alphabet (-3%) restrict further gains. Oil futures rallied on Tuesday ahead of the EIA supply report on Wednesday, with the American Petroleum Institute estimating a fall of 10.2 million barrels. WTI added around +1% to settle above USD \$48 per barrel, while Brent crude traded through USD \$50 per barrel on the way to a +0.8% gain. Treasury yields pushed higher on Tuesday following the positive consumer confidence read, taking 10-year close to 8bps higher at 2.333%, while two-year yields added 3.3bps to 1.389%. Business confidence in Germany unexpectedly increased during July according to IFO survey results released on Tuesday. The business climate index jumped to 116.0 (exp: 114.9) from 115.2 previously, while both the expectations and current assessment indices reported solid gains. The positive survey results helped to see the German Dax +0.45% higher, while a softer euro underpinned a +0.41% return for the Stoxx Europe 600. Equities in the U.K. ended trade on Tuesday firmly higher (U.K. FTSE 100 +0.77%), supported by strong gains to oil companies and miners on the back of stronger Chinese demand.



PRECIOUS: Dollar strength and position squaring leading into Wednesday's FOMC meeting saw gold under pressure on Tuesday, notably offered during early European trade to test the USD \$1,250 support. Early Asian session weakness was well absorbed across Comex, seeing the yellow metal reverse the downward trend and test toward Monday's USD \$1,258 high in afternoon flows as USD/JPY slipped below 111.00. The bid tone was however soon extinguished as European participants filtered in, seeing the metal retrace the Asian session gains and test a break of USD \$1,250 leading into New York hours. Higher treasury yields and a push toward 112.00 for USD/JPY kept bullion under pressure in New York, while it is worth noting that there is decent open interest at the USD \$1,250 Comex strike, which more than likely restricted the yellow metals recovery. ETF holdings further weighed upon bullion on Tuesday, with 241k ounces of outflows recorded. Asian pricing on Wednesday saw gold extend Tuesday's weakness, losing touch with the USD \$1,250 handle in early pricing to slip underneath both the 50 and 100 day moving averages. Chinese interest was modest in early Shanghai trade, however while the on-shore premium continues to sit around USD \$6 over loco London gold, bullion struggled to find the drivers for an afternoon recovery and sits languishing underneath the aforementioned moving averages as Europe begins their day. The technical break during Asian trade today saw some participants heading for the exits as we near the FOMC rates announcement and it is difficult to see gold making any headway above USD \$1,250 leading into the Fed. A hawkish tone from Yellen today will open up a test toward the 200 DMA around USD \$1,229, while a dovish skew is likely to see a recovery test USD \$1,258 - \$1,262. Silver saw whippy price action on Tuesday, collapsing to a dollar driven USD \$16.24 low in European trade before a likely short covering rally and bid base metals (notably copper) saw a sharp reversal through the recent high of USD \$16.60. The grey metal eased into the close, however was able to consolidate gains to end modestly higher on the session. There was further turbulence for silver during Asian trade today, with the metals inability to hold USD \$16.50 seeing a break toward USD \$16.30, where we saw supportive interest on Tuesday. Silver looks to have the greatest upside should the Fed turn dovish today, with the record high short positioning expected to come under pressure if the metal can break through USD \$16.69. All eyes tonight on the FOMC rates decision and accompanying release, while leading into this we see U.K. GDP and U.S. New Home Sales.