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14 June 2017

**Gold Price Technical Indicators**

| Support & Resistance                | Price Action                |
|-------------------------------------|-----------------------------|
| <b>Resistance 2:</b> US\$ 1,281/Oz  | <b>Short-Term:</b> Sideways |
| <b>Resistance 1:</b> US\$ 1,272/Oz  | <b>Mid-Term:</b> Bullish    |
| <b>Current price:</b> US\$ 1,267/Oz | <b>Long-Term:</b> Bullish   |
| <b>Support 1:</b> US\$ 1,258Oz      |                             |
| <b>Support 2:</b> US\$ 1,247/Oz     |                             |

**Indicative Price Table**

| Gold              | Active Month | Last P Price (oz/g) | 1D % Change |
|-------------------|--------------|---------------------|-------------|
| <b>Spot Pairs</b> |              |                     |             |
| Gold/USD          |              | 1267.10             | 0.04        |
| Gold/SGD          |              | 1750.38             | -0.07       |
| Gold/MYR          |              | 5,399.34            | -0.02       |
| Gold/IDR          |              | 16,833,840          | -0.01       |
| Gold/THB          |              | 42,952.39           | 0.00        |

| Futures Contract                   | Active Month | Last P Price (oz/g) | 1D % Change |
|------------------------------------|--------------|---------------------|-------------|
| CMX Gold (100 t.oz)(US\$)          | AUG 17       | 1269.00             | 0.03        |
| ICE US Gold (100 t.oz)             | JUN 17       | 1265.80             | -0.02       |
| ICE US Mini Gold (33.2 t.oz)(US\$) | AUG 17       | 1268.90             | 0.02        |
| TOCOM Gold (1Kg)(¥)                | APR 18       | 4,477.00            | 0.09        |

| Silver            | Active Month | Last P Price (oz/g) | 1D % Change |
|-------------------|--------------|---------------------|-------------|
| <b>Spot Pairs</b> |              |                     |             |
| Silver/USD        |              | 16.82               | -0.41       |
| Silver/SGD        |              | 23.24               | 0.36        |
| Silver/MYR        |              | 71.68               | 0.41        |
| Silver/IDR        |              | 223,524             | 0.12        |
| Silver/THB        |              | 570.33              | 0.13        |

| Futures Contract                      | Active Month | Last P Price (oz/g) | 1D % Change |
|---------------------------------------|--------------|---------------------|-------------|
| CMX Silver (5,000 t.oz)(US\$)         | JUL 17       | 16.80               | 0.20        |
| CMX Silver (1,000 t.oz)(US\$)         | JUL 17       | 16.80               | 0.20        |
| ICE US Mini Silver (1,000 t.oz)(US\$) | JUL 17       | 16.79               | 0.16        |
| TOCOM Silver (10 Kg)(¥)               | APR 18       | 59.40               | -0.83       |

| Palladium                      | Active Month | Last P Price (oz/g) | 1D % Change |
|--------------------------------|--------------|---------------------|-------------|
| <b>Futures Contract</b>        |              |                     |             |
| NYM Palladium (100 t.oz)(US\$) | SEP 17       | 855.95              | -0.19       |
| TOCOM Palladium (500 g)(¥)     | APR 18       | 2,939               | -2.68       |

| Platinum                     | Active Month | Last P Price (oz/g) | 1D % Change |
|------------------------------|--------------|---------------------|-------------|
| <b>Futures Contract</b>      |              |                     |             |
| NYM Platinum (50 t.oz)(US\$) | JUL 17       | 927.10              | 0.31        |
| TOCOM Platinum (500 g)(¥)    | APR 18       | 3,301               | -1.84       |

Last Updated at (SG Time): 9:11:10 AM  
Source: Bloomberg

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**Ready for Gold's Rebound on Tonight's FOMC Decision?**

**Gold (USD) Price Chart**



Period: 4 Hour Candle Stick Source: Bloomberg  
MACD (Period 1:12, Period 2: 26, Signal: 9)

**Fundamental Driver(s)**

**U.S Interest Rate Hike**

Gold prices recovered slightly to the US\$1,265/Oz primary support level, after briefly breaking down towards the US\$1,258/Oz secondary support level. Financial Market participants are still positioning ahead of tonight's U.S FOMC interest rate decision that is slated to take place at around 2:00 AM tonight. The market consensus for tonight is a 25 basis points rate hike in the federal funds rate target range from 0.75%-1.00% to 1.00%-1.25%.

**Based on our historical observations of the last 3 interest rate hikes executed by the Janet Yellen led FOMC (Federal Open Market Committee), we have consistently seen gold prices fall before an actual interest rate hike, but rebound afterwards.** A highly possible explanation for this phenomenon is that market participants will trade their view (short gold) before the occurrence of that event, and close out their speculative positions (short-cover gold) on the occurrence of that event to take profit.

**Tension in Washington**

U.S Attorney General Jeff Session was testifying to the Senate Intelligence Committee yesterday where he dismissed any suggestions that he colluded with the Russians during the 2016 U.S Presidential Elections as an "appealing and detestable lie". He has also defended himself against Democratic allegations that he misled the Senate Judicial Committee during his confirmation hearings. **This tension in Washington also added to the geopolitical uncertainties and further supported gold prices.**

**What to watch out for:**

| SG Day   | SG Time  | Events/ Economic Data                  |
|----------|----------|--|
| Today    | 12:30 PM | Japan May Production                   |
|          | 4:30 PM  | UK ILO Unemployment Rate               |
|          | 8:30 PM  | U.S May (CPI & Advance Retail Sales)   |
| Tomorrow | 2:00 AM  | U.S June FOMC Monetary Policy Decision |

**I am bullish-biased on gold prices as I believe that they will rise after tonight's rate decision, irrespective of whether there is a rate hike or not.** A positive breakout beyond the US\$1,272/Oz resistance level that is further supported by a positive MACD indicator reversal will present a good buying opportunity for the gold bulls.

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