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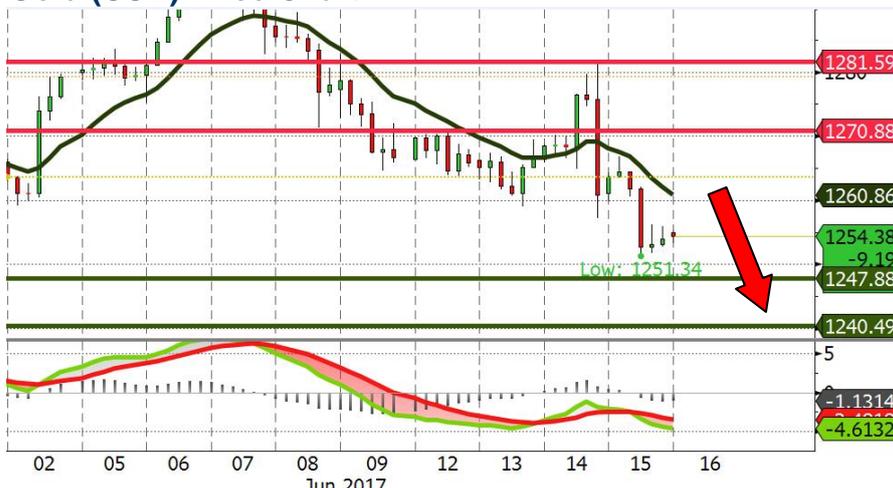
Gold's Rebound Fails on Greater Than Expected Fed Hawkishness

Gold Price Technical Indicators	
Support & Resistance	Price Action
Resistance 2: US\$ 1,281/Oz	Short-Term: Bearish
Resistance 1: US\$ 1,271/Oz	Mid-Term: Bearish
Current price: US\$ 1,254/Oz	Long-Term: Bullish
Support 1: US\$ 1,247Oz	
Support 2: US\$ 1,241/Oz	

Indicative Price Table

Gold			
Spot Pairs	Active Month	Last Price (oz/g)	1D % Change
Gold/USD		1,254.16	0.02
Gold/SGD		1,734.15	0.06
Gold/M YR		5,365.59	-0.26
Gold/IDR		16,683,826	0.02
Gold/THB		42,609.24	-0.09
Futures Contract			
CMX Gold (100 t.oz)(US\$)	AUG 17	1,255.70	0.09
ICE US Gold (100 t.oz)	AUG 17	1,254.60	-1.67
ICE US Mini Gold (33.2 t.oz)(US\$)	AUG 17	1,255.30	0.06
TOCOM Gold (1Kg)(¥)	APR 18	4,471.00	0.61
Silver			
Spot Pairs	Active Month	Last Price (oz/g)	1D % Change
Silver/USD		16.79	0.24
Silver/SGD		23.21	-0.16
Silver/M YR		71.83	-0.49
Silver/IDR		223,304	-0.19
Silver/THB		569.76	-0.18
Futures Contract			
CMX Silver (5,000 t.oz)(US\$)	JUL 17	16.76	0.23
CMX Silver (1,000 t.oz)(US\$)	JUL 17	16.78	0.38
ICE US Mini Silver (1,000 t.oz)(US\$)	JUL 17	16.74	0.14
TOCOM Silver (10 Kg)(¥)	APR 18	59.60	-0.50
Palladium			
Futures Contract	Active Month	Last Price (oz/g)	1D % Change
NYM Palladium (100 t.oz)(US\$)	SEP 17	863.00	0.59
TOCOM Palladium (500 g)(¥)	APR 18	2,977	1.53
Platinum			
Futures Contract	Active Month	Last Price (oz/g)	1D % Change
NYM Platinum (50 t.oz)(US\$)	JUL 17	923.70	0.26
TOCOM Platinum (500 g)(¥)	APR 18	3,312	-0.06
Last Updated at (SG Time):		8:59:40 AM	
Source: Bloomberg			

Gold (USD) Price Chart



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

Fundamental Driver(s)

More Hawkish than Anticipated FOMC Statement

Gold prices rebounded briefly after the Federal Open Market Committee (FOMC), as already anticipated by the financial markets, opted to hike the U.S Federal Funds Rate by 25 basis points. **However, this brief rebound was hampered by an increasing “hawkish” statement with a greater emphasis on Fed Balance Sheet Reduction through a decrease rate of Treasuries reinvestment.** There also seems to be a **greater emphasis on the strengthening labour market conditions over the inflation weakness during Monetary Policy considerations.**

The FOMC “currently expects to begin implementing a balance sheet normalization program this year, provided that the economy evolves broadly as anticipated” that will “gradually reduce the Federal Reserve’s securities holdings by decreasing reinvestment of principal payments from those securities”.

They also “(expect) that economic conditions will evolve in a manner that will warrant gradual increases in the federal funds rate”

Increasingly Hawkish BOE

The Bank of England (BOE) Policy makers are starting to act more “hawkishly” as more members are starting to vote for a rate hike. The vote for a rate hike increased from 3 out of 8 members for this meeting, from the previous 1 out of 8 members. **This development comes in light of rising UK inflationary pressures, due to the falling British Pound, and lower unemployment.** They are possibly holding their belief in the existence of the Phillips Curve, which base on economic theory states that tightening labour market conditions would eventually translate into higher wage growth.

These rising global hawkish Central Bank rhetoric caused gold prices to fall over the previous day.

What to watch out for:

SG Day	SG Time	Events/ Economic Data
Today	Unspecified	Japan BOJ Monetary Policy Decision
	2:30 PM	Japan BOJ Kuroda speaks at Monetary Policy Meeting Press Conference
	5:00 PM	Eurozone May CPI
	8:30 PM	U.S May (Housing Starts & Building Permits)
	10:00 PM	U.S June Prelim University of Michigan Consumer Confidence

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