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5 June 2017- 9 June 2017

Gold Technical Indicators

Support & Resistance	Price Action
Resistance 2: US\$ 1,313/Oz	Short-Term: Bullish
Resistance 1: US\$ 1,295/Oz	Mid-Term: Bullish
Current price: US\$ 1,281/Oz	Long-Term: Bullish
Support 1: US\$ 1,270/Oz	
Support 2: US\$ 1,260/Oz	

Gold Rises On the Latest String of British Terror Attacks And Weaker Than Expected U.S Non-Farm Payroll

Spot Gold (USD) Price Chart



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

Indicative Price Table

Gold	Active Month	Last Price (oz/g)	Weekly % Change
Spot Pairs			
Gold/USD		1280.82	0.89
Gold/SGD		1767.40	-0.42
Gold/MYR		5,462.98	-0.74
Gold/IDR		17,016,778	-0.68
Gold/THB		43,579.27	-0.85

Futures Contract	Active Month	Last Price (oz/g)	Weekly % Change
CM X Gold (100 t.oz)(US\$)	AUG 17	1283.30	0.94
ICE US Gold (100 t.oz)	JUN 17	1276.80	0.69
ICE US Mini Gold (33.2 t.oz)(US\$)	AUG 17	1282.80	0.90
TOCOM Gold (1Kg)(¥)	APR 18	4,537.00	0.67

Silver	Active Month	Last Price (oz/g)	Weekly % Change
Spot Pairs			
Silver/USD		17.55	0.89
Silver/SGD		24.21	-0.39
Silver/MYR		74.84	-0.62
Silver/IDR		233,096	-0.66
Silver/THB		596.65	-0.62

Futures Contract	Active Month	Last Price (oz/g)	Weekly % Change
CM X Silver (5,000 t.oz)(US\$)	JUL 17	17.54	1.25
CM X Silver (1,000 t.oz)(US\$)	JUL 17	17.54	1.25
ICE US Mini Silver (1,000 t.oz)(US\$)	JUL 17	17.52	1.15
TOCOM Silver (10 Kg)(¥)	APR 18	62.20	0.81

Palladium	Active Month	Last Price (oz/g)	Weekly % Change
Futures Contract			
NYM Palladium (100 t.oz)(US\$)	SEP 17	840.25	6.81
TOCOM Palladium (500 g)(¥)	APR 18	2,937	4.78

Platinum	Active Month	Last Price (oz/g)	Weekly % Change
Futures Contract			
NYM Platinum (50 t.oz)(US\$)	JUL 17	954.70	-0.85
TOCOM Platinum (500 g)(¥)	APR 18	3,396	-0.15

Last Updated at (SG Time): 4:07:28 PM

Source: Bloomberg

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Fundamental Driver(s) Gold VS US Dollar Index



Period: 3 Min Source: Bloomberg Orange Line: Gold Green Line: US Dollar

Previous Week's Summary of Fundamentals

Gold prices began to fall by 0.81% over Tuesday after the Federal Reserve's (Fed) John William reaffirmed his view of 2 more rate hikes this year, despite the PCE deflator falling to 1.7%. ECB's Mario Draghi came out to say that the Eurozone economic outlook was improving and downside risks were moderating. U.S President Donald Trump continued to add fuel to the risk-on sentiment by tweeting that the massive tax reform that he had submitted was progressing well ahead of schedule.

However on Wednesday, there was a shift into a risk-off sentiment that benefited gold prices. The Fed's Lael Brainard, a FOMC voter, said that another rate hike is likely appropriate soon although she preferred delaying rate hikes should inflation continue to slow. In the U.K election space, Theresa May and the conservatives saw their decisive lead in the opinion polls falling, narrowing the gap between them and the Labour Party. U.S equities fell on the back of profit warnings by JP Morgan, with repositioning into safe havens, such as gold.

Gold's prices then made a u-turn and fell back down on Thursday on rising anticipation of a June FOMC rate hike, on the back of a moderate outlook from the Fed's Beige book and more hawkish comments from a Fed official. The Fed's Beige Book reported that economies in most Fed districts continued to expand at a modest or moderate pace. Majority of districts expressed positive near-term outlook. Most districts cited worker shortages across a broadening range of occupations and regions, with employment and wage growing at a modest to moderate pace. Fed's Robert Kaplan, a FOMC voter, backed a gradual, patient policy tightening because economy and inflation were "not running away from (them)", while reiterating support for 2 more rate hikes this year.

Onto Friday morning, in the U.S economic data side, we saw better than expected May ADP and ISM manufacturing. May ADP came out at 253K, well above expectations of 180K and the prior reading of 174K. ISM Manufacturing edged higher to 54.9 in May, from 54.8 in April. More hawkish comments followed as Fed's Jerome Powell, a FOMC voter, came out to say that he expected 3 rate hikes this year, but will adjust accordingly should markets react adversely to balance sheet reduction. However, later on Friday evening, May Non-Farm Payroll data came out below expectations, causing a flight for safety and thus boosting gold prices upwards. This data came out at 138K, well-below consensus of 185K. The U.S jobless rate declined to a decade low of 4.4%, probably due to a falling participation rate that declined from 62.9% to 62.7%.

Over the weekend, 7 people were killed and 48 people injured in an attack on a popular London nightlife spot as terrorism struck the UK for the second time in as many weeks, just days before a national election. A van swerved into the Saturday-night crowd on the London Bridge, before 3 men got out and went on a stabbing rampage through nearby bars. These continued terror attacks continued to cast a shadow on the British Elections that is slated to take place this Thursday, where continue to see Prime Minister Theresa May's and the ruling conservative party's lead eroded, running the risk of weakening her mandate during the BrExit negotiations, or in a worst case scenario, losing the Premiership and being forced to resign. This new development continued to add to global geopolitical uncertainty, thus strengthening the demand for safe havens, such as gold prices. Gold prices gapped up by 0.81% over the weekend, currently up by 1.10%.

Gold prices were overall up by 1.16% for the week.

Speculative COMEX Gold Futures Open Interest Monitoring (30 May 2017)



Source: Reuters

Based on a snapshot of the breakdown of last Tuesday's (30 May 2017) COMEX gold futures open Interest positions, we see a week on week increment in net gold speculative positions of 11.82% to 131.5K contracts. Speculative long positions rose 8.35% for the week to 181.14K contracts, while speculative shorts remained relatively unchanged at 49.5K Contracts

Important events for this week

SG Day	SG Time	Events/ Economic Data
Monday	4:00 PM	Eurozone May Markit Eurozone PMI (Services & Composite)
	4:30 PM	UK May Markit Eurozone PMI (Services & Composite)
	10:00 PM	U.S: <ul style="list-style-type: none"> ▪ May ISM (Services/Non-Manufacturing) Composite ▪ April (Factory & Durable Goods) Orders
Tuesday	5:00 PM	Eurozone April Retail Sales
Thursday	Unspecified	China May FDI & Trade Balance
	7:50 AM	Japan: <ul style="list-style-type: none"> ▪ Q1 GDP ▪ April Trade Balance
	5:00 PM	Eurozone Q1 GDP
	7:45 PM	Eurozone ECB Monetary Policy Decision
	8:30 PM	Eurozone ECB President Mario Draghi Press Conference
	Night	U.S Former FBI Director James Comey Testifies Before the Senate
Friday	Morning	UK Snap General Elections 2017 Exit Polling & Results
	9:30 AM	China May (Consumer & Producer) Price Index
	4:30 PM	UK: <ul style="list-style-type: none"> ▪ April (Industrial & Manufacturing) Production ▪ April Trade Balance
Saturday	Unspecified	China May (Aggregate Financing & New Yuan Loans)

Weekly Outlook

I am bullish-biased on gold prices for the week on the back of several possible geopolitical events that are slated to take place through the duration of this week. Firstly, the UK General Elections are happening this Thursday, with the exit polling occurring on Friday morning and the election results should be out by Friday afternoon. If UK Prime Minister Theresa May and her Conservative Party lose parliamentary seats or lose the leadership of the country, gold prices are expected to rise on the geopolitical uncertainty of an increasingly complicated Brexit negotiation.

Another risk event to watch out for is former U.S FBI Director, James Comey's Senate testimony that is expected to occur on Thursday night. The Senate Intelligence Committee is expected to ask Director Comey on whether President Trump tried to persuade him to stop an investigation into improper contacts between a top adviser and Russian officials, whether Trump sought to extract a vow of personal loyalty, and whether Director Comey was fired because he did not comply. President Trump has denied trying to make Director Comey drop the case. However if Director Comey contradicts him and is supported by other evidence, it would represent potential obstruction of justice by the President. This could lead to the possibility of impeachment and gold prices are expected to also rise in anticipation of this outcome.

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