

Thursday, December 06, 2018

PRECIOUS METALS REPORT

MARKET COMMENT

Another down day for the markets, as the consequences of the arrest of Huawei Technologies CFO sent the markets into a tail spin. China's embassy in Canada demanded the U.S. and Canada "rectify wrongdoings" and free Wanzhou Meng, who just also happens to be deputy chairwoman and the daughter of Huawei founder Ren Zhengfei. The US so far has not responded only Canada confirming that she was in custody and had been arrested in connection with violating sanctions against Iran. The question on everyone's mind and the reason for the uncertainty is whether or not this is the first shot in a Tech Cold War between China and the US and if so how will this disrupt the global tech supply chain.

Given the sharp declines in the equity markets traders are losing confidence that the Federal Reserve will continue to raise rates, with a near-certain hike in December now coming into doubt and almost no tightening expected for next year. On the CME fed watch tool expectations are only 62.9% see a rate hike on Dec 19th.

Interesting, news story on Barrick Gold worth passing along. Basically ahead of the Randgold purchase on Jan. 1, Barrick plans to sell a variety of noncore core assets, cut costs and shrink head-office management to help delegate more authority to regional mining operations.

Heads up NFP tomorrow and worth noting ADP came in lower than expected today.

TRADING RANGE (COMEX/NYMEX Far East and early European ranges)

	Gold	Silver	Platinum	Palladium	Euro/USD
Open	1243.00	14.585	802.00	1182.50	1.1344
Low	1240.00	14.415	790.60	1152.50	1.1321
High	1246.30	14.590	803.60	1188.30	1.1353

LONDON BENCHMARKS / ECB-EXCHANGE RATE

	Gold	Silver	Platinum	Palladium	Euro/USD
AM	1236.45	14.380	791	1221	1.1351
PM	1242.55		788	1221	

TRADING RANGE (COMEX/NYMEX)

	Gold	Silver	Platinum	Palladium	Euro/USD
Low	1240.00	14.415	785.00	1135.80	1.1321
High	1249.90	14.590	803.80	1188.30	1.1413
Close	1243.60	14.509	789.60	1141.90	1.1389

SUPPORT / RESISTANCE (USD/toz)

	Gold	Silver	Platinum	Palladium	Euro/USD
Support	1228	14.20	778	1168	1.1310
Resistance	1250	14.75	794	1228	1.1426

MINOR PGM METALS

<u>Rh</u>	<u>2550-2600</u>	<u>Ir</u>	<u>1440-1480</u>	<u>Ru</u>	<u>235-275</u>
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U.S. ECONOMIC CALENDAR

	Survey	Prior
Unemployment Rate 12/7	3.7%	3.7%
NFP 12/7	198K	250K

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