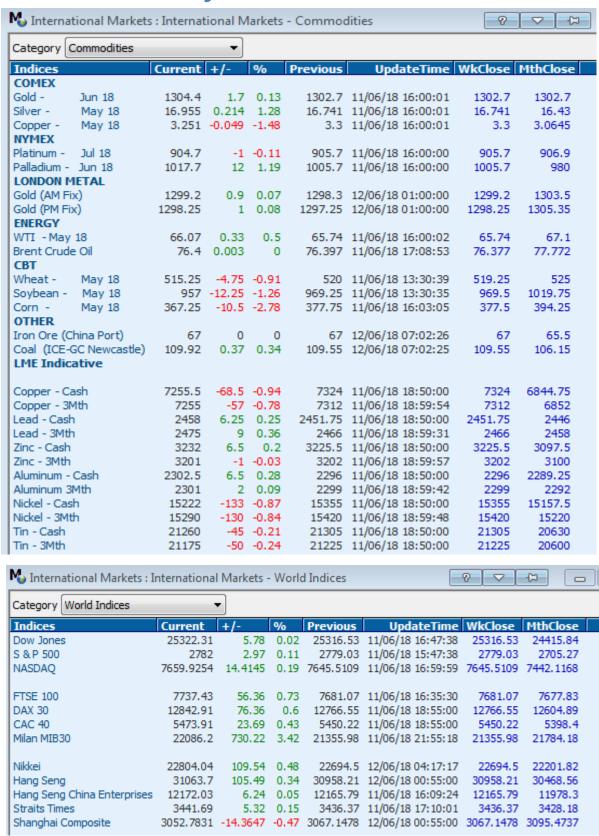
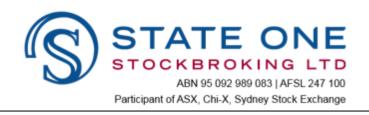


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Daily Resources Overview





PRECIOUS METALS COMMENTARY

International Monetary Fund chief Christine Lagarde led an attack by global economic organizations on U.S. President Donald Trump's "America First" trade policy on Monday, warning that clouds over the global economy "are getting darker by the day".

Trump backed out of a joint communique agreed by Group of Seven leaders in Canada at the weekend that mentioned the need for "free, fair and mutually beneficial trade" and the importance of fighting protectionism. The U.S. president, who has imposed import tariffs on metals, is furious about the United States' large trade deficit with key allies. "Fair trade is now to be called fool trade if it is not reciprocal," he tweeted on Monday.

In response, Lagarde unleashed a thinly veiled attack on Trump's trade policy, saying challenges to the way trade is conducted were damaging business confidence, which had soured even since the weekend G7 summit. The Washington-based IMF is sticking to its forecast for global growth of 3.9 percent both this year and next, she said, before adding: "But the clouds on the horizon that we have signalled about six months ago are getting darker by the day, and I was going to say by the weekend."

"The biggest and darkest cloud that we see is the deterioration in confidence that is prompted by (an) attempt to challenge the way in which trade has been conducted, in which relationships have been handled and in which multilateral organizations have been operating," Lagarde said.

The upcoming summit will be looked at carefully as traders, and market participants gauge the potential of any real progress emanating from the talks, which would move the needle in terms of the geopolitical climate in Asia. It is the uncertainty of potential outcomes and what effect that outcome will have on the financial markets that are hard to gauge.

Lastly, there is the FOMC meeting which will begin tomorrow and conclude on Wednesday afternoon with a press conference from Chairman Powell. It is widely believed that there will be the implementation of a 25-basis point rate hike which will be announced at the conclusion of this month's meeting. Of all three events, the FOMC meeting presents the least amount of uncertainty, as traders will look for the tone and timbre of answers Chairman Powell gives during the press conference for indications as to whether or not the Fed will stay the course or become more hawkish or dovish than currently perceived.

With all three events collectively tied to a timeline of a week, it seems unlikely that the financial markets and safe haven assets such as gold will be unaffected as these events come to their inclusion.

Source: Kitco

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