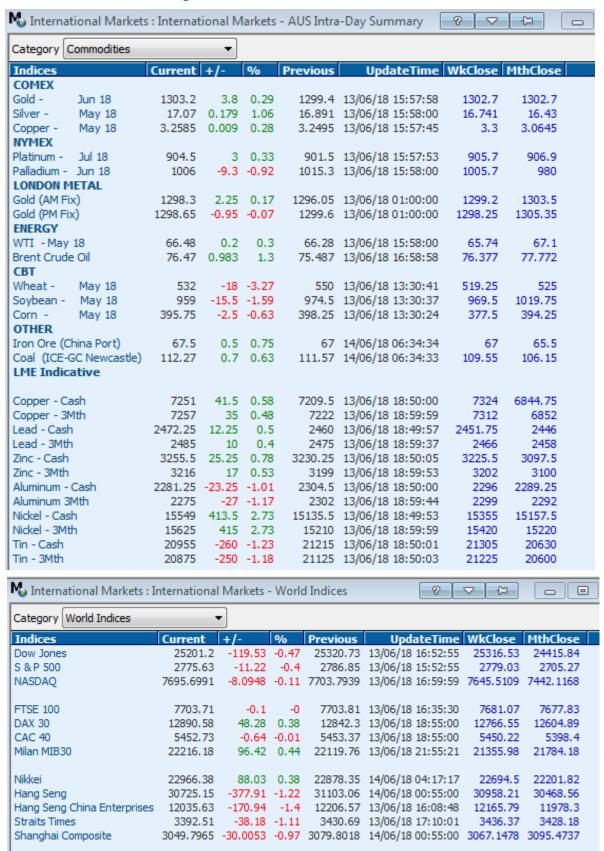


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# **Daily Resources Overview**





### PRECIOUS METALS COMMENTARY

Gold futures finished near the highs of the day, and as of 4:00 PM Eastern standard time is trading up \$4.50 at \$1,303.90. Gold had been trading fractionally higher at just before the conclusion of this month's FOMC meeting. However immediately following the meeting, the largely anticipated 25 basis point rate hike fell under pressure and gold briefly traded below \$1,300 per ounce.

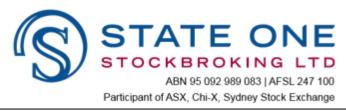
This lower pricing was short-lived as gold found solid footing and began to trade above 1,300 and near the high today of \$1,305.20. Although today's rate hike was widely anticipated, and for the most part factored into current market sentiment, it was a slightly more hawkish tone which sent the financial markets lower with the Dow Jones Industrial Average losing approximately half a percent and closing at 25,201.

The elevated hawkish tone was in reference to the number of rate hikes that the Federal Reserve anticipates initiating this year. The change from the previous dot plot was an additional rate hike this year, resulting in a total of four hikes rather than three.

One of the fundamental differences to today's FOMC conclusion was that following the release of a statement, Chairman Powell held a press conference. It was during the press conference in which we saw gold begin to trade near the highs of the day, mostly in response to a lower dollar.

The dollar index lost approximately one-quarter of a percent, trading to 93.58. Spot gold gained \$3.60 in trading today and is currently fixed at \$1298.80. According to the Kitco Gold Index, \$3.40 of today's gains were a direct result of a weakening U.S. dollar, with the remaining \$0.20 increase attributable to buyers bidding gold prices higher.

Source: Kitco



## **US Market**

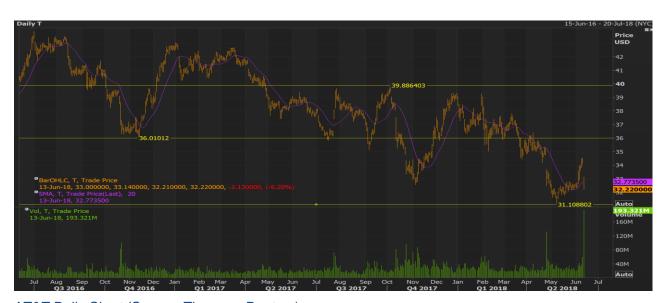
Trade wars, European politics and emerging-market turmoil — despite the looming risks on the global front, the Federal Reserve's decision on Wednesday to raise interest rates and flag two more possible increases this year show that the central bank is firmly focused on the domestic front.

The Federal Reserve has upgraded its economic outlook for this year and next, centred around a more robust labour market and slightly higher inflation. The US central bank — which raised interest rates at its policy decision on Wednesday, as expected — released its updated economic projections for this year and out to 2020. It also dropped language in its accompanying policy statement pledging to keep rates at crisisera levels for an extended period.

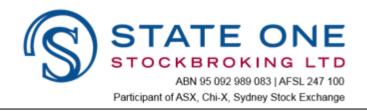
Stocks and Treasuries weakened after the Federal Reserve lifted interest rates, as expected, and flagged a total of four interest rate rises this year on an upgraded economic outlook. The US central bank lifted the federal funds rate to a range of 1.75 per cent to 2 per cent and released projections pointing to two more rate rises this year — taking the total in 2018 to four — from a previous forecast of three.

The Fed also bumped up its forecasts for real economic growth and its preferred measure of inflation this year, as well as flagging a lower unemployment rate.

The S&P 500 finished 0.4 per cent lower, having been fractionally higher ahead of the decision. The worst sectors today were telecommunications, down 4.5 per cent, owing to a 6.2 per cent drop for AT&T won the green light in court for its \$80bn takeover of Time Warner. Next worst were basic materials, down 1.1 per cent, and industrials, down 0.8 per cent. Consumer cyclicals were the only one to finish in the black, with a 0.1 per cent gain.



AT&T Daily Chart (Source: Thomson Reuters)



### **Australian Market**

The S&P/ASX 200 index was down by 30.9 points and reached at 6023.5 while All Ordinaries were down by 31.7 points and reached at 6133.1.

CBA, ANZ, Westpac and NAB were down by 0.97 per cent, by 0.82 per cent, by 0.29 per cent and by 0.75 per cent and closed at \$68.18, at \$26.34, at \$27.43 and at \$26.14 respectively. Rio Tinto and BHP were down by 1.16 per cent and by 1.30 per cent and closed at \$84.11 and at \$33.25 respectively. A2M, Bellamy's and Bubs Australia were down by 3.3 per cent, by 6.57 per cent and by 3.76 per cent and closed at \$10.52, at \$16.35 and at \$0.89 respectively.

**APA Group** was up by 20.91 per cent and closed at \$10 as a Hong Kong-based consortium of power utility and infrastructure companies, led by CK Infrastructure, made a \$13 billion takeover bid for the company. **Gateway Lifestyle** was up by 14.75 per cent and traded at \$2.10 as the company received a non-binding proposal for a takeover from Hometown Australia Holdings and Hometown America Communities at an indicative price of \$2.10 a share.

ASX futures were little changed, in line with markets in New York and across Europe, as investors parsed the Fed's latest policy statement and its updated economic forecast. ASX futures were up 6 points at 5.45am AEST. The Australian dollar was little changed.



APA Daily Chart (Source: Thomson Reuters)

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