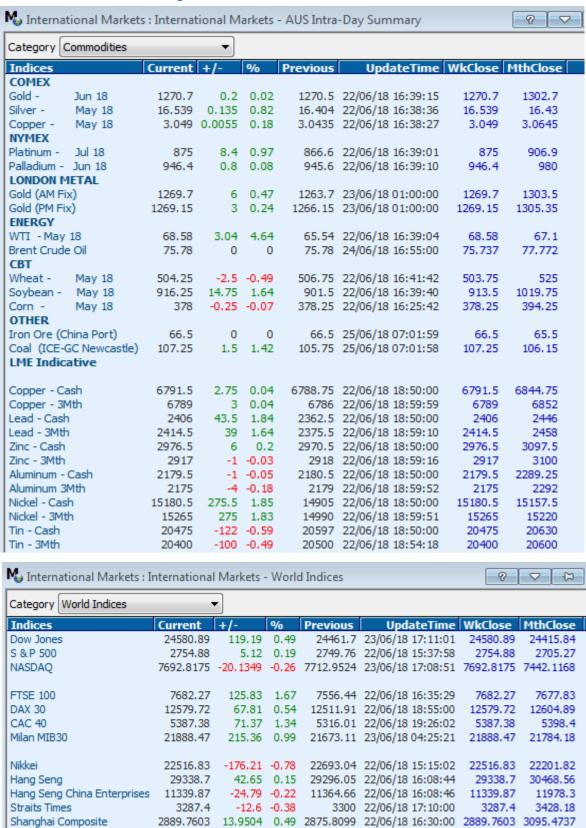
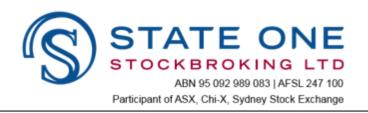


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Daily Resources Overview





PRECIOUS METALS COMMENTARY

Although gold closed modestly higher on the day, the precious yellow metal scored its second consecutive week of lower pricing. Gold futures opened on Monday at \$1281 per ounce and traded to a high of \$1286. However, it was the weekly low of \$1263 that fostered the greatest concern.

Considering that gold opened just above \$1,300 per ounce at the beginning of the year, the last two weeks have resulted in gold trading to the lowest price of 2018.

The two critical factors which have placed the greatest amount of selling pressure has been a strong US dollar, and the Federal Reserve's current monetary policy of quantitative normalization.

The highest price that gold traded this year occurred during the week of April 9 when gold futures traded as high as \$1,370 per ounce. At that time the dollar index was trading at 89, after forming a base and support from the lows achieved at the end of January. This week, the dollar index hit its highest value of the year when it traded to highs above 95. This represents a 6% gain this year.

While dollar strength explains the vast majority of gold's lower pricing this year, gold has lost approximately 7.2% of value from the highs achieved in April. The additional 1.2% is obviously due to selling pressure.

This month's FOMC meeting revealed a more hawkish Fed that created additional selling pressure. Although it was widely anticipated that the Fed would initiate its second-rate hike this year, they also revealed a possible addition of two more rate hikes in 2018. Source: Kitco

1 Year Gold London Fix PM Daily with 14 and 200-day moving averages



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