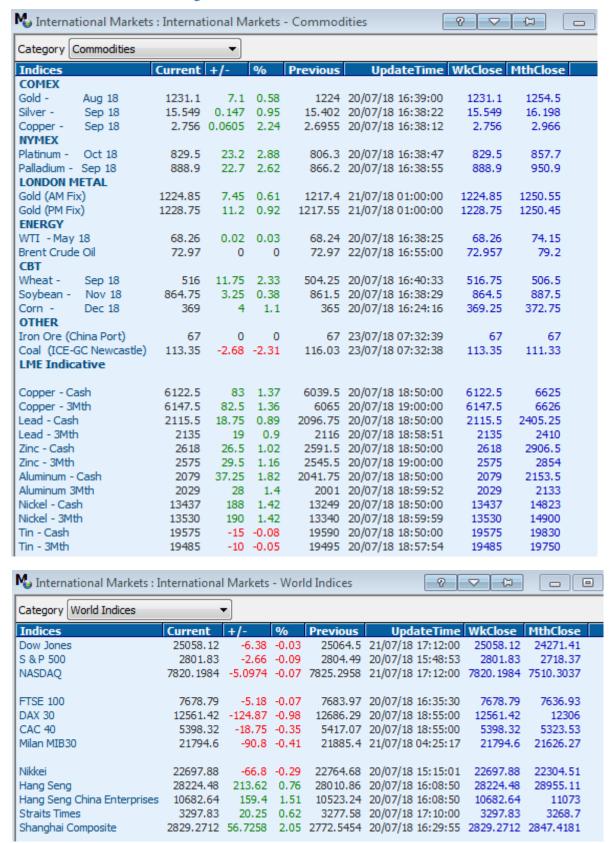
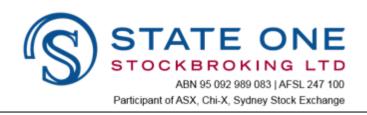


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Daily Resources Overview





PRECIOUS METALS COMMENTARY

While one tweet has helped to reverse gold's near-term fortunes, some analysts have said that more work needs to be done to end the yellow metal's three-month downtrend.

Although gold is ending is second week in negative territory, the market is well off its one-year lows as the U.S. dollar bulls reacted to <u>comments from President Donald Trump</u>. Gold's bounce started Thursday afternoon after Trump said, in an interview with CNBC, that he was "not thrilled" with rising interest rates as they are hurting economic growth. August gold futures have managed to hold on to its gains heading into the weekend, last trading at \$1,229.20 an ounce, down almost 1% from last week.

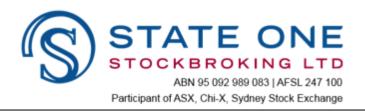
The President doubled down on his comments Friday morning in a tweet questioning why the U.S. is raising interest rates as debt is growing and coming due. He also called out China and the European Union for manipulating their currencies, taking away the U.S.'s competitive edge.

Although gold is seeing a healthy jump off its recent one-year low, some analysts said that more work needs to be before the metal attracts more buying momentum. Gold may have to push over \$1,250 an ounce before investors feel confident that the current downtrend has finished.

The Final Say

The economic calendar next week is fairly sparse with little major data to be released. The markets will receive some important housing sales data and preliminary manufacturing data.

The big economic reports come at the end of the week with the release of U.S. durable-goods numbers published Thursday and then the first reading of second quarter U.S. gross domestic product Friday. Economists are expecting that the U.S. economy grew 4% in the second quarter. Source: Kitco



US Market

The S&P 500, Dow Jones Industrial Average and Nasdaq Composite all closed less than one-tenth of 1 per cent lower on Friday. Consumer staples, up 0.4 per cent, and technology, up 0.1 per cent, were the S&P 500's only sectors to close in the black. Utilities were worst off on Friday with a 0.8 per cent drop.

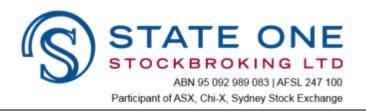
Corporate action this week focused on banks, which were buoyed by good quarterly results from a handful of lenders, and tech stocks. The likes of Amazon, Alphabet, Facebook and Microsoft — the four biggest listed companies in the world after Apple — all hit record highs during the week.

The dollar was the big loser on Friday as Mr Trump broke with tradition and expressed concerns about the effect of its strength on US economic growth. The DXY index, which tracks the US currency against a weighted basket of global peers, was down 0.75% at 94.449 on Friday, for one of its biggest one-day drops in 2018. For the week, the buck was down 0.4 per cent.

Treasuries were weaker, too, as investors wondered whether either Mr Trump's tariffs or his barbs at the Fed might eventually alter the speed of the central bank's planned policy tightening. The yield on the policy-sensitive two-year note was up 0.4 basis points to 2.5994 per cent, while that on the benchmark 10-year was up 0.5 bps at 2.8968 per cent. Yields rise as bond prices fall.



Facebook Daily Chart (Source: Thomson Reuters)



Australian Market

Australian shares are set to be swamped by a further rise in trade war rhetoric from Donald Trump. \$A lifts as Trump hammers the Fed. ASX futures down 18 points. Wall Street closed slightly lower after deeper losses in Europe.

Afterpay Touch was the standout in Australian trading during the week, a five-day stretch where the market managed an overall gain despite ongoing concern about the outlook for global trade. The S&P/ASX 200 climbed 23 points, or 0.4 per cent, to 6285 on Friday for a 0.3 per cent advance over the week. The All Ordinaries rose 22 points, or 0.4 per cent, to 6377 on Friday while the Australian dollar edged up 0.2 per cent to US73.73c.

Afterpay was the clear ASX 200 winner over the week, with the payment services firm surging more than 30 per cent to \$14.36 after updating shareholders on earnings trends and sales on Thursday. Technology One was another strong technology-sector performer, jumping more than 15 per cent during the week to \$5.05, after the Brisbane-based firm reaffirmed its fiscal-year net profit growth target.

Banks managed to move higher over the week, with some of that advance made on Friday when CBA shares climbed 0.7 per cent to \$75.90, Westpac rose 0.7 per cent to \$29.90, NAB advanced 0.6 per cent to \$28.30 and ANZ climbed 0.5 per cent to \$29.36.



CBA Daily Chart (Source: Thomson Reuters)

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