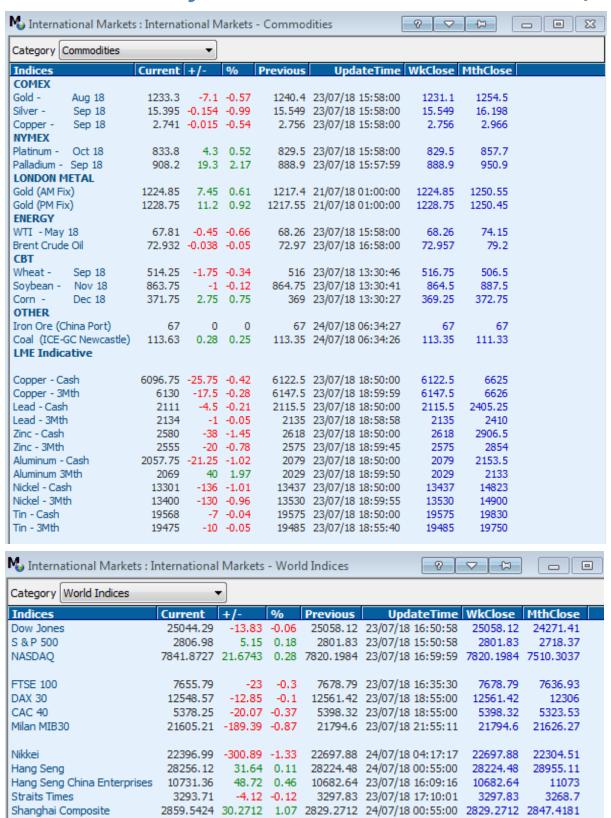


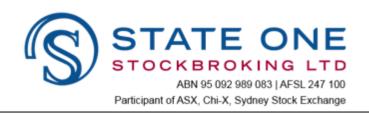
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24 July 2018

Daily Resources Overview





PRECIOUS METALS COMMENTARY

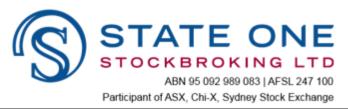
Gold and silver prices are moderately lower in early-afternoon U.S. trading Monday. Both metals are not far above last week's 12-month lows. The key "outside markets" were bearish for the precious today as the U.S. dollar index was firmer and crude oil prices were weaker. Also, the technical postures for gold and silver markets remain fully bearish on a near-term basis. August gold futures were last down \$5.20 an ounce at \$1,225.90. September Comex silver was down \$0.134 at \$15.415 an ounce.

World stock markets were mixed to mostly lower today. U.S. stock indexes were slightly higher in afternoon dealings. The world stock markets showed just a mildly bearish reaction to President Trump's tweet late Sunday warning Iran not to threaten the U.S. or that country would suffer grave consequences. Safe-haven gold and silver markets saw no significant reaction to the tweet.

U.S. economic data due for release Monday included the Chicago Fed national activity index and existing home sales. Neither report moved the markets, amid lackluster summertime trading, when many traders are thinking more about their upcoming family vacations than they are the markets.

Technically, the gold bears have the solid overall near-term technical advantage. There are no strong, early clues to suggest a market bottom is close at hand. A three-month-old downtrend is in place on the daily bar chart. Gold bulls' next upside near-term price breakout objective is to produce a close above solid technical resistance at \$1,250.00. Bears' next near-term downside price breakout objective is pushing prices below solid technical support at \$1,200.00.

Source: Kitco



US Market

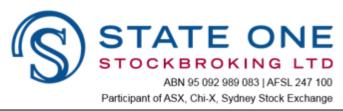
Alphabet posted an unexpected drop in a key cost metric, prompting a spike of as much as 5 per cent in its share price in after-market trading on Monday. After taking into account last week's €4.3bn fine against Google from the European Union, however, the tech holding company said its net income fell 9 per cent from the year before when it was also hit by another multibillion-dollar fine from the EU over its treatment of rival comparison shopping sites.

Leaving aside the fines in both periods, net profit rose 32 per cent to \$8.2bn. A jump in so-called traffic acquisition costs — a measure of how much money the company spends to attract users to its search engine — has been a concern among investors for several quarters.

Treasuries were rattled on Monday as global bond yields marched higher on the back of reports the Bank of Japan is considering adjusting its monetary policy stance, while Wall Street ended mixed as financials and tech rallied. S&P 500 ended the day 0.2 per cent higher at 2,806.98 — financials led the way with a 1.3 per cent rise, while tech was up 0.5 per cent. Utilities and industrials were the biggest decliners, off by about 0.6 per cent each.



Alphabet Daily Chart (Source: Thomson Reuters)



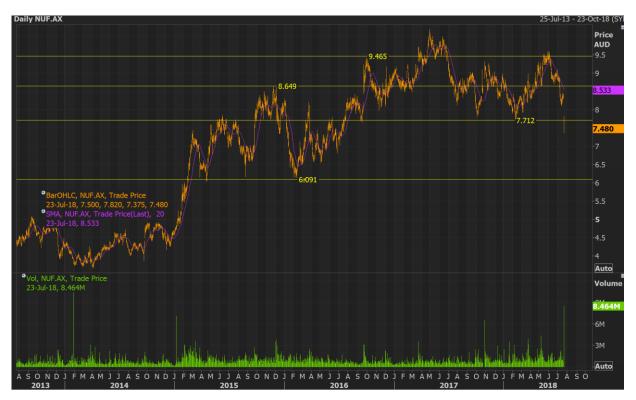
Australian Market

Australian shares are poised to open higher. Geopolitical tensions underpinned a surge in US Treasury yields, with the yield on the 10-year note rising 7 basis points to 2.96 per cent. ASX futures up 19 points at 6.45am AEST. The Aussie has retreated 0.5 per cent.

The S&P/ASX 200 index fell 58.3 points, or 0.9 per cent, to 6227.6 as investors sought more defensive positions amid the increased uncertainty surrounding global growth.

The four major banks also fell with all four among the index's biggest weights. Commonwealth Bank fell 0.9 per cent to \$75.24 while Westpac went down 0.9 per cent to \$29.63. ANZ closed 0.8 per cent lower at \$29.12 and NAB closed at \$28.15, down 0.5 per cent.

Nufarm shares fell sharply after it cut its 2018 earnings guidance, saying that extremely dry weather conditions had meant farmers cut back spending on herbicides and other other products offered by the agricultural chemical company. The company said it was now forecasting EBIT of \$255 million to \$270 million, down from the \$317.4 million the company forecast in May. Its shares closed 11.1 per cent lower at \$7.48.



NUFARM Daily Chart (Source: Thomson Reuters)

Participant of ASX, Chi-X, Sydney Stock Exchange

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