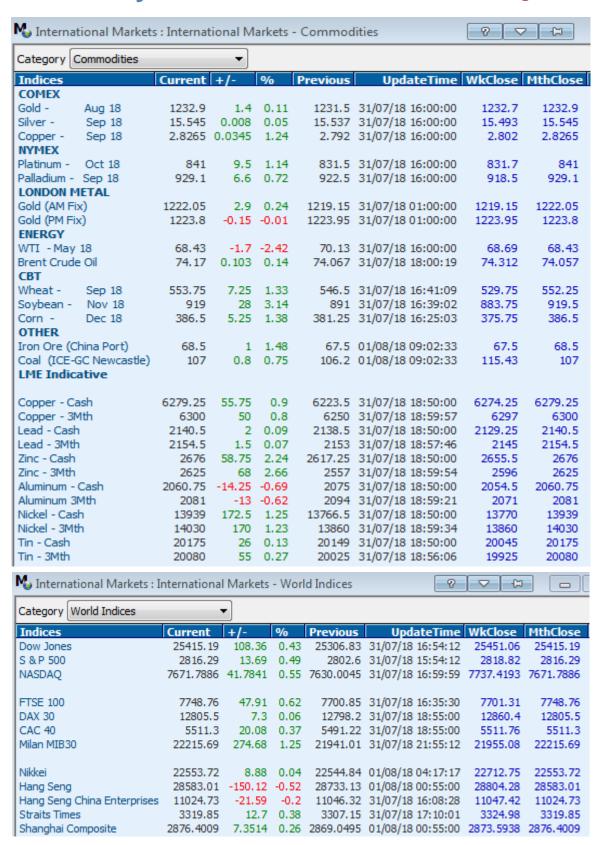


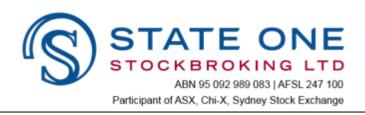
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# **Daily Resources Overview**

### 1 August 2018





### PRECIOUS METALS COMMENTARY

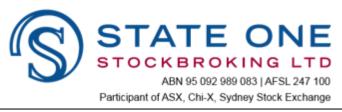
Gold prices are moderately up in early-afternoon U.S. trading Tuesday. Some short covering in the futures market and perceived bargain buying in the cash market are featured. Also, the last trading day of the month today likely prompted some position evening in the metals, most of which being short covering. Still, the low risk aversion in the world marketplace at present continues to weigh on the safe-haven metals. December gold futures were last up \$4.00 an ounce at \$1,235.60. September Comex silver was last up \$0.063 at \$15.60 an ounce.

In focus this week is central bank meetings of the U.S., the Bank of Japan and the Bank of England. The BOJ today left its interest rates unchanged, as expected, but did surprise the marketplace by reiterating it will maintain its ultra-low interest rates and easy monetary policy. Only the BOE is expected to make any policy move—raising its interest rates slightly. The FOMC meeting of the Federal Reserve began Tuesday morning and ends Wednesday afternoon with a statement.

The key "outside markets" today find Nymex crude oil prices lower and trading just below \$69.00 a barrel. Meantime, the U.S. dollar index is firmer today.

One of the largest fund managers in the world is taking a step back from the precious-metals market, and some analysts see this as lightning striking twice and perhaps signaling the market's bottom.

Friday, Vanguard announced that it was restructuring and changed the name of its \$2.3 billion Vanguard Precious Metals and Mining Fund. In September, the fund will be renamed the Vanguard Global Capital Cycles Fund. However, some analysts and traders are questioning the timing of the move and it could be a sign that negative sentiment in the precious-metal sector is at an extreme. "You can still see more negative sentiment but moves like this from a major fund indicate that we are near a market bottom," said Avi Gilburt, creator of Elliotwavetrader.net. "You don't see these types of moves at market tops." The move comes as gold prices have lost nearly 10% in the last three months. Source: Kitco



## US Market

US stocks have clawed their way back into the black to end July on a high note, as tech stocks regained their footing.

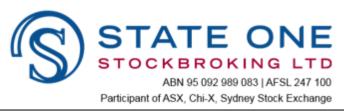
The S&P 500 gained 13.7 points, or 0.42 per cent, to end the day at 2,816.3. Industrials shone, as worries about the impact of a looming trade war started to recede on a report that the US and China are eyeing a new round of discussions. The energy sector followed the price of oil lower for the day, and financials and telecoms also ended up in the red.

The gains for industrials — including Caterpillar, 3M and United Technologies — also boosted the Dow Jones Industrial Average, which gained 106.7 points, or 0.42 per cent, to 25,413.5.

The tech-heavy Nasdaq Composite benefited from an upward swing for big tech stocks like Facebook, Netflix and Twitter after several days of heavy losses. The index gained 42.2 points, up 0.55 per cent, to end the day at 7,672.22. For the month, the S&P 500 rose 3.6 per cent, the Dow advanced 4.7 per cent — their biggest monthly gains since January. The Nasdaq — buffeted by swings in big tech stocks — increased 2.2 per cent.



Caterpillar Daily Chart (Source: Thomson Reuters)



# Australian Market

ASX futures were up 14 points ahead of 6.15am AEST, paring earlier gains. The Australian dollar held above US74¢, also paring earlier gains.

The big gains yesterday were in the energy and telecom indices, while information technology underperformed the market falling 2.1 per cent. Individual gains were in Credit Corp Group, up 8.5 per cent on strong fiscal results, and Janus Henderson Group, up 3.3 per cent.

The biggest losses were with Regis Resources, down 10.8 per cent, to close at \$4.46. Analysts are worried about higher costs and flat production. Regis' share price may improve if the gold price rises.

Carsales was down 3.97 per cent to \$13.78, Xero was down 2.62 per cent to \$42.78, and REA Group was down 2.5 per cent to \$86.61. Logistics software company WiseTech was down 7.6 per cent today. WTC has been on a rollercoaster lately with no specific news driving sentiment.



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Wisetech Daily Chart (Source: Thomson Reuters)

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