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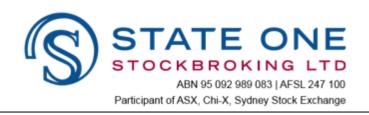
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Daily Resources Overview

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PRECIOUS METALS COMMENTARY

In his first speech as Fed Chairman at the economic conference in Jackson Hole, Jerome Powell's speech resulted in the U.S. dollar trading lower and a strong upside move in gold pricing. In his speech, Powell said that the central bank's gradual path of interest rate hikes remains "'appropriate' as there does not seem to be "an elevated risk of overheating."

Acutely aware that the Federal Reserve is playing an extremely important balancing act between moving towards a monetary policy of normalization, while not putting a damper on economic growth in the United States, Chairman Powell continues to thread the economic needle.

In his speech, Powell said, "My colleagues and I believe that this gradual process of normalization remains appropriate." Most importantly he maintains a high level of confidence in continued and robust economic growth. "With solid household and business confidence, healthy levels of job creation, rising incomes, and fiscal stimulus arriving, there is good reason to expect this strong performance will continue."

His statements strongly confirm a continuation of quantitative normalization through a series of gradual guarter-point rate hikes, along with the reduction of the central bank's massive assets, which swelled to \$4.5 trillion at its peak.

Currently, it is believed that the Federal Reserve will raise interest rates by 25 basis points (1/4%) two more times this year. In addition, the CME's FedWatch tool predicts that there is a 96% probability of a rate hike in November and a 60% probability that there will be a final rate hike in 2018 occurring in December.

The net result of his speech today were strong gains in the U.S. equity markets, intense selling pressure in the U.S. dollar, and a substantial upside move in gold.

Source: Kitco

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