



# Precious Metals Weekly Outlook

Monday June 12 2017

For last week's report, please click [here](#)

# Gold

“Don't gain the world and lose your soul; wisdom is better than silver or gold.”

— Bob Marley

## Overall Sentiment

- More or less subdued now after the strong run-up to \$1,295 failed to attract additional buying interest
- Last week turn of risk events has run its course and this suggest that gold has run out of bullish catalyst to sustain the momentum

## Speculative funds positioning

- Longs added to their bullish bets quite aggressively over May 30 – June 6, with 54,898 contracts against fresh selling of 11,812 contracts
- But the recent weakness may indicate that these fresh longs are of weak conviction

## Bullish perspective

- As price consolidate lower, it may start to attract late buyers to enter
- US domestic political tensions continue to run high after Senior US Prosecutor was fired for refusing Trump's call

## Bearish perspective

- The dollar has attempted higher since last week having found a short-term base at 96.45
- Based on its weekly chart, gold was rejected again after it briefly crossed above the multi-month downtrend line

**Conclusion** – Gold was rejected last week and put in a rather bearish weekly candle. Dip-buyers will need to re-emerge to support it – otherwise further downside cannot be rule out



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# Silver

"You don't need a silver fork to eat good food."

— Paul Prudhomme

## Overall Sentiment

- With safe—haven demand diminished, longs took profit last week
- Price weakness prior to this Wednesday FOMC meeting is uncommon

## Speculative funds positioning

- CFTC COT report indicate that speculators added to their bullish bets but recent price weakness is likely to undermine their position

## Bullish perspective

- The trend in speculative funds positioning suggest that sentiment are starting to turn rather bullish

## Bearish perspective

- Upside look capped by July 2016 high and the 20 WMA (see weekly chart)
- Weekly rejection candle is likely to attract additional technical selling

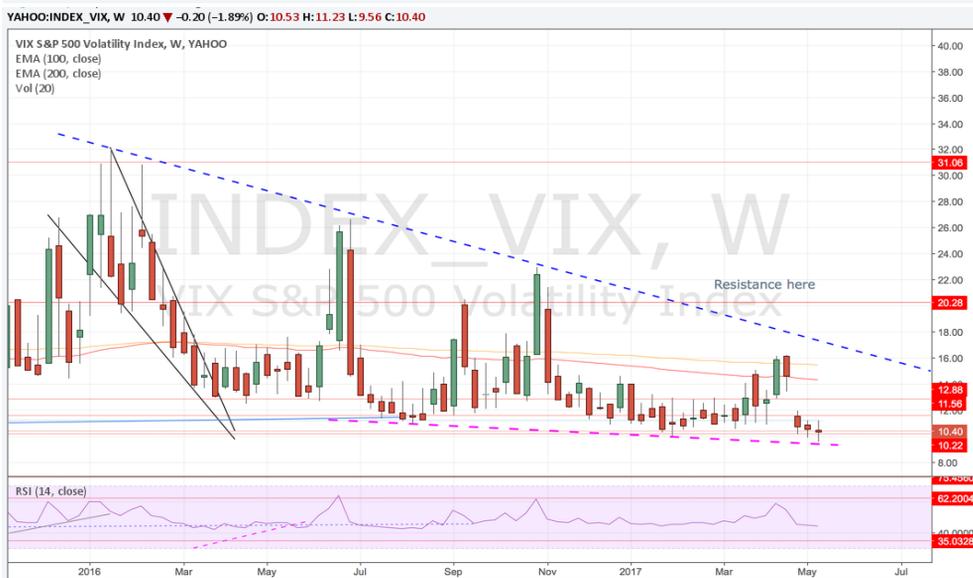
**Conclusion** – As weakness in the dollar reversed, the strong advance in silver prices attracted profit taking. Will we see another post FOMC rate hike rally in the precious metals complex?



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# Market moving events this week

- Leveraged funds continue to cut their bullish dollar bets
- PM Theresa May attempt to steer UK back into stability after her idea of 'snap election' backfired
- Wednesday FOMC Q&A sessions will allow market to digest what policymakers are thinking about recent soft economic data
- Dollar index managed to form a weekly bullish hammer but does it have legs higher?
- US equity index reversed gains in Nasdaq and SP500 but can it resume the uptrend this week?



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