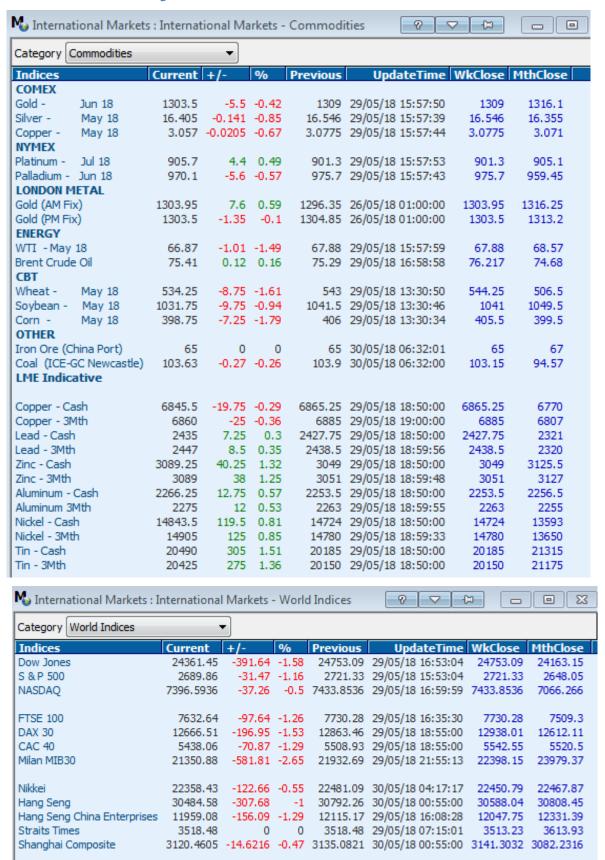
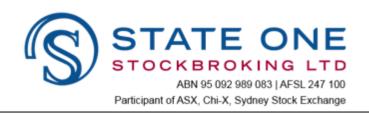


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Daily Resources Overview





PRECIOUS METALS COMMENTARY

Gold prices were modestly lower in early-afternoon U.S. trading Tuesday. Prices were up from daily lows amid a U.S. stock market sell-off and some new geopolitical uncertainties. Still, a very strong U.S. dollar and a slumping crude oil market are trumping an uptick in geopolitical tensions early this week. June Comex gold futures were last down \$2.20 an ounce at \$1,301.50. July Comex silver was last down \$0.146 at \$16.40 an ounce.

Geopolitical risk is squarely on the front burner of the marketplace early this week. The Italian president on Sunday blocked an anti-establishment government from forming. There is also an upcoming election in Spain, where the right-wing candidate is expected to do well. All of this is putting strong downside pressure on the Euro currency, which fell to a seven-month low against the U.S. dollar overnight. U.S. stocks are also taking a hit today on geopolitics and slumping oil prices.

The U.S.-North Korea nuclear summit may be back on, as the U.S. has sent a team of negotiators and planners to Singapore to set up the summit meeting between U.S. President Trump and North Korean President Kim Jong Un. However, given recent North Korean actions, the summit could quickly be off again.

And the U.S.-China trade talks continue to vacillate between a trade deal being reached, and no deal.

U.S. Treasuries are saw safe-haven demand today, on the geopolitics. While gold prices are not seeing much of a safe-haven bid, so far, the Italian and Spanish political uncertainty could boost the yellow metal if the marketplace perceives those two countries as moving away from the European Union bloc of countries. My bias is that the downside is limited for safe-haven gold, at present, what will all the geopolitical developments going on, which did not mention deteriorating U.S. relations with Iran.

The key "outside markets" today find Nymex crude oil prices sharply lower, hitting a six-week low and trading around \$66.00 a barrel. Last Friday's bearish weekly low close and the recent steep downdraft are technical clues the market has put in at least a near-term top. U.S. oil production is at an all-time high and Russia and Saudi Arabia have pledged to open their oil spigots some more. Slumping oil prices are an underlying negative for the raw commodity sector, including the precious metals.

Meantime, the U.S. dollar index is solidly higher and hit a 10.5-month high, as the greenback continues its surge higher, partly on perceived safe-haven demand.

Source: Kitco

Participant of ASX, Chi-X, Sydney Stock Exchange

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