

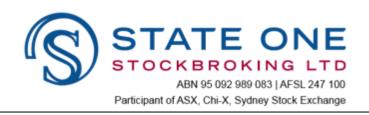
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## **Daily Resources Overview**







## PRECIOUS METALS COMMENTARY

Last week was full of surprises. The G7, the Federal Open Market Committee, ECB, Singapore, the World Cup.....(in no particular order) all delivering significant punches and fireworks.

From singer Robbie Williams flashing his middle finger on the global stage during the World Cup opening ceremonies, to a week full of Trump's Trumpisms including: calling Prime Minister Justin Trudeau "weak" and "dishonest", to approving \$50 billion of new tariffs on China, to blasting Comey and his "minions" following the inspector general's report, to his much talked about salute to the North Korean general.

And then we have the U.S. Federal Reserve taking its first step toward an early exit from its balance sheet reduction. The central bank increased the rates it pays on reserves by 0.2 percentage points Wednesday. This all comes after it raised interest rates by 25 basis point and signalled two more hikes later this year.

So what did this all mean for gold...just when it was shaping up to be an incredible week for the metal, hitting a 4-week high...a reversal of fate awaited.

As of newsletter time, gold prices sunk to a six-month low. Kitco senior analyst Jim Wyckoff summed up saying, "A slumping raw commodity sector in the face of a potential worldwide trade war among major global economies has hit raw commodity prices hard today." The announcement by the European central bank that could have been the final straw that broke the camel's back. Now for the first time since 2008 both the United States and the Euro zone are in the process of moving to a monetary policy of quantitative normalization. This major policy shift could in fact be the strongest factor, or the straw that caused the selloff in gold today.

A surging U.S. dollar index that hit an 11-month high today is also working against the precious metals markets. August gold futures settled the session and the week down \$29.8 an ounce at \$1,278.50, its lowest closing price since late December.

Source: Kitco

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