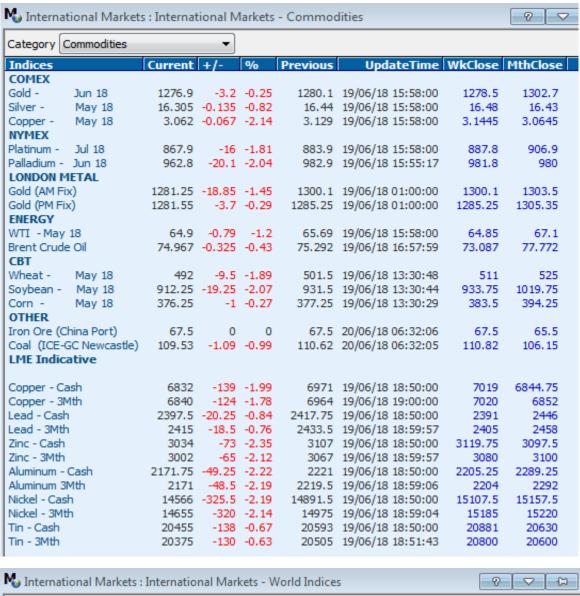


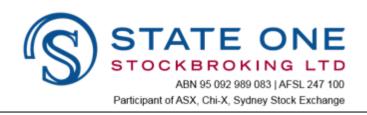
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Daily Resources Overview







PRECIOUS METALS COMMENTARY

Gold and silver prices are modestly lower in early-afternoon U.S. trading Tuesday. Gold fell to a six-month low and silver hit a four-week low today.

The precious metals have fallen victim to a general sell off in the raw commodity sector amid fears of a major world trade war developing. Adding to downside pressure on the metals today is a surging U.S. dollar index that hit an 11-month high today. August Comex gold futures were last down \$2.20 an ounce at \$1,277.90. July Comex silver was last down \$0.105 at \$16.335 an ounce.

World and U.S. stock markets were solidly lower today as risk aversion is high after the Trump administration has threatened China with still more trade tariffs, and China has again responded with its own latest threats. The world's two largest economies appear headed for a full-blown trade war that could significantly impact the entire world economy if the matter deteriorates.

There was some safe-haven demand seen for gold in overnight trading. However, gold and silver once again opted to trade in line with the raw commodity sector, instead of as safe-haven assets for much of the day today. I still suspect that gold will garner at least some safe-haven demand if the trade situation with major U.S. trading partners deteriorates further.

The key "outside markets" today see the U.S. dollar index higher and hitting another 11-month high today. Meantime, Nymex crude oil prices are lower and trading just below \$65.00 a barrel. The sell-off in the oil has been especially bearish for the metals.

Source: Kitco

Participant of ASX, Chi-X, Sydney Stock Exchange

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