

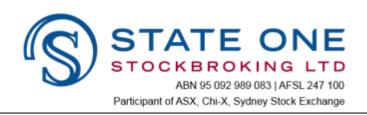
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Daily Resources Overview

3 August 2018





PRECIOUS METALS COMMENTARY

Gold prices are moderately lower in early-afternoon dealings, and trading near the recent one-year low, basis nearby futures (and a 1.5-year low basis the December futures contract). A stronger U.S. dollar index that is near a 12-month high continues to scare buyers away from the precious metals markets. December gold futures were last down \$5.20 an ounce at \$1,222.40. September Comex silver was last down \$0.047 at \$15.405 an ounce.

There remains a lack of bullish fundamental news to support new buying interest in safe-haven gold and silver markets. Combine that with the bearish technical postures of both metals and dull summertime trading, and you get a gradual drift lower in prices.

The World Gold Council has reported that gold demand in India will be better in the second half of this year, due to good crop harvests and the festival seasons. India and China run neck-and-neck as the leading gold consumer in the world.

Traders are looking ahead to Friday's U.S. jobs report for July. Wednesday's ADP national employment report for July showed a rise of 219,000. That number was higher than the expected rise of 185,000. The non-farm payrolls number on Friday is forecast to come in at up 190,000. The stronger ADP number suggests Friday's figure could come in higher, too.

The other key "outside market" today finds Nymex crude oil prices solidly higher and trading above \$69.00 a barrel. If not for the rally in the oil market today, metals prices could be trading even lower.

Platinum prices are sharply higher on a day when the world's second-largest producer announced plans to cut supply, and analysts say this may be just the catalyst the market needs to avoid falling any further through the recent lows.

Most analysts have characterized the platinum market as being in a surplus this year, particularly as consumption of the metal is dinged by less demand for diesel-powered vehicles. Platinum is a critical component in catalytic converters. However, on Thursday, second-largest producer Impala Platinum – also known as Implats -- said it plans to cut 13,400 jobs over the next two years. The company plans to reduce the number of shafts from 11 to six, with production falling to 520,000 ounces annually from 750,000. Resistance from the government and unions is expected in a nation with a high unemployment rate. Sibanye-Stillwater aims to cut jobs over three years at acquisition target Lonmin, according to news reports. Source: Kitco

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