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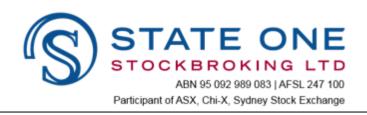
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Daily Resources Overview

18 October 2018







PRECIOUS METALS COMMENTARY

Gold prices are moderately lower in early-afternoon U.S. trading Wednesday, on a normal corrective pullback from recent solid gains that saw prices hit a 10-week high earlier this week. A big rebound in the U.S. stock market on Tuesday is also denting any safe-haven demand for gold and silver markets today. A rally in the U.S. dollar index today also worked against the precious metals market bulls. December gold futures were last down \$4.40 an ounce at \$1,226.60. December Comex silver was last down \$0.046 at \$14.655 an ounce.

The U.S. economic highlight at mid-week was this afternoon's release of the minutes from the Federal Reserve's FOMC meeting that was held in late-September. Metals markets saw little to no reaction to the minutes.

The FOMC minutes confirmed the U.S. economy is on a strong growth path, which FOMC members said likely warrants further, gradual increases in interest rates. The minutes said the Fed may, for a while, move interest rates into a "restrictive" mode. However, the Fed wants to keep U.S. economic growth on an even keel. On the inflation front, the minutes saw a slight upward revision in inflationary pressures. Some FOMC members saw acceleration in labor costs, but still only modestly. Some on the committee also said a stronger U.S. dollar could crimp economic growth and produce higher inflation. The recent U.S. hurricanes will only impact the U.S. economy in a modestly negative fashion, the minutes said.

The rift between the U.S. and Saudi Arabia regarding a missing Saudi journalist who many think was killed by the Saudi Kingdom remains near the front burner of the marketplace. The U.S. Secretary of State was in Saudi Arabia talking to the king and now is in Turkey to see its president. According to news reports, the Saudi king could be caught up in a coverup of the reporter's murder. President Trump said there would be "severe punishment" of the Saudi Kingdom if it is determined it was complicit in the death of the journalist. There is a lot at stake for both sides.

Source: Kitco

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