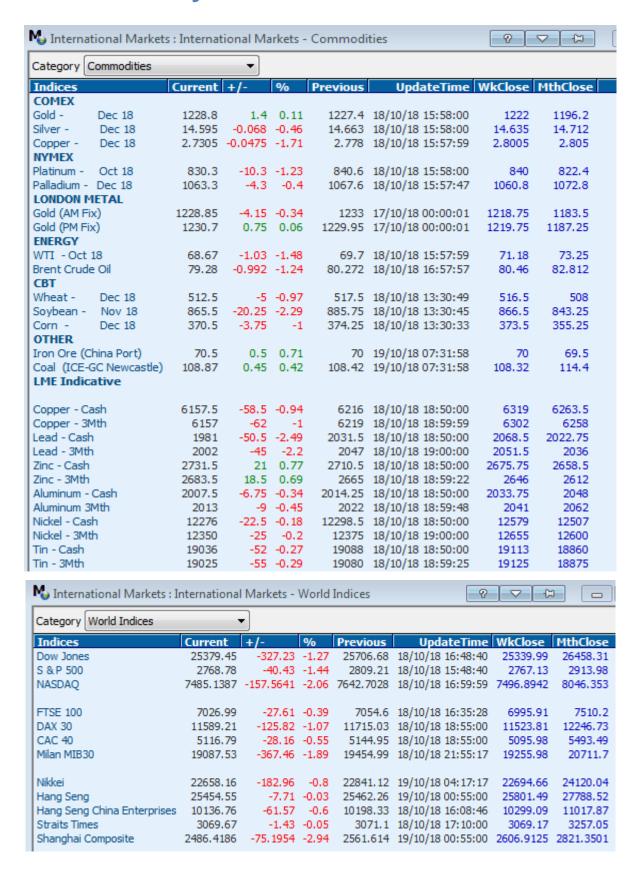


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Daily Resources Overview

19 October 2018





PRECIOUS METALS COMMENTARY

Gold prices are trading modestly higher in early-afternoon U.S. trading Thursday. Today, a host of worries on the geopolitical front rose to the surface to put strong pressure on the U.S. stock market and produce some safe-haven demand for gold, which began to surface in late-morning action.

December gold futures were last up \$3.00 an ounce at \$1,230.50. December Comex silver was last down \$0.043 at \$14.62 an ounce.

Saudi Arabia, U.S.-China relations, the European Union and rising bond yields spooked the marketplace today.

Traders and investors are awaiting the results of a Turkish investigation into the disappearance of a Saudi journalist. The Turks say the journalist was killed and the Saudis deny knowing anything about it. This matter is likely to come to a head in the next few days, with President Trump saying results of the investigation are likely yet this week. If the Saudis are complicit, ramifications for the world markets will be significant. Some press reports say the Saudis killed the journalist. Just today, U.S. Secretary Mnuchin has just pulled out of a business conference in Saudi Arabia, following the lead of several U.S. business executives.

There are also new concerns about the viability of the European Union as Italy makes waves about falling in line with EU by-laws.

U.S. Treasury bond yields are on the rise again following FOMC minutes released Wednesday afternoon that were deemed a bit hawkish on U.S. monetary policy.

And a former U.S. Federal Reserve official, Stanley Fisher, today warned about the negative economic impact of a protracted trade war between the U.S. and China.

The key outside markets today find the U.S. dollar index higher on safe-haven buying and a slumping Euro currency. Meantime, November Nymex crude oil prices are lower, hit a four-week low and are trading just above \$69.00 a barrel. Brent crude oil has now fallen below the \$80.00-per-barrel level. Rising U.S. oil stockpiles this week are bearish for the oil market

Source: Kitco

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