



ABC BULLION HEAD OFFICE

Level 6 88 Pitt Street Sydney NSW 2000 Australia

P: +61 2 9231 4511 | F: +61 2 9233 2227 | E: info@abcbullion.com.au

AUSTRALIA WIDE
1300 361 261

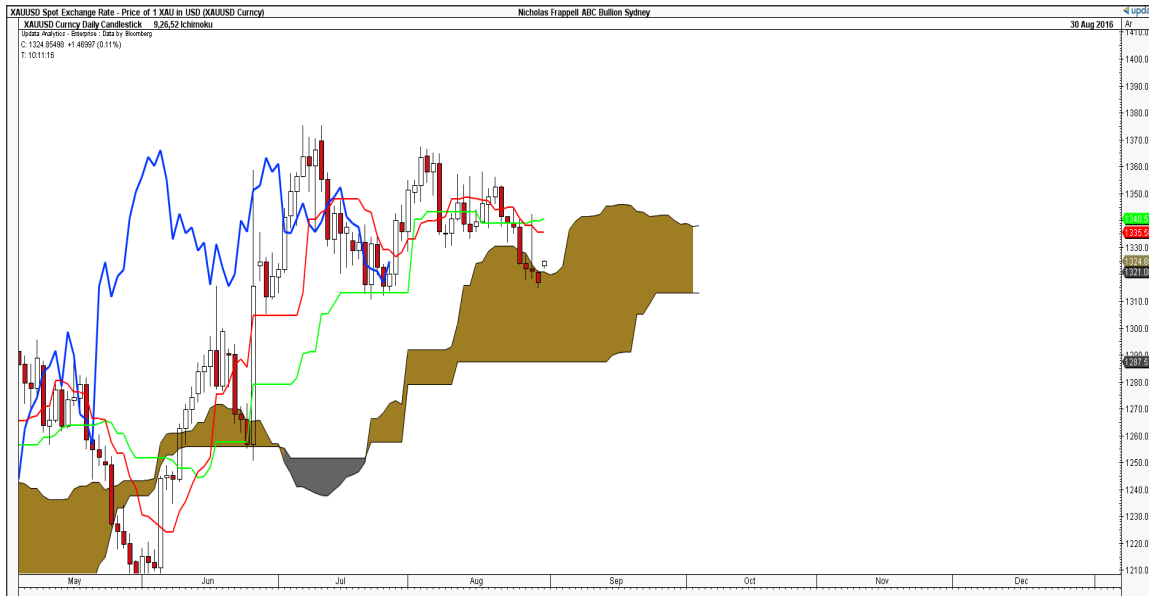
abcbullion.com.au

A PALLION COMPANY



Nicholas Frappell
General Manager

ABC Bullion



Gold weakens to US\$1314, closing below the Weekly Turning line (now at US\$1343) Friday's brief rally was capped at the Daily Standard line which now tends to act as resistance. Price targets for gold in US Dollars extends to US\$1304 and on to the US\$1260 level. Support should come in at US\$1297 and then US\$1287 from the base of the Daily Cloud/Weekly Standard Line.

The gold price appears to be cycling back down from the 38.20 pct Fibonacci retracement of the move from September 2011 high to the December lows, which lies at US\$1380, so there is a natural inflection after the macro move seen in the first seven months of this year.

The market is vulnerable in the short term to news emanating from the Jackson Hole symposium. The president of the Cleveland Fed, Loretta Mester, has expressed that a 'compelling case' for a US rate rise exists, and Fed Chair Janet Yellen has said that the case for an increase has strengthened recently. Overall, the tendency to use unconventional central bank policy tools looks likely to remain, and the drive to 'normalise' US monetary policy looks unlikely – an expanded Fed balance sheet looks here to stay for some time.

The likelihood of a rise as soon as September – or not – will hinge to some extent on nearby data, and the market will focus on this Friday's NFP numbers, the last remaining Non Farm payroll and Unemployment event ahead of the FOMC meeting. The jobs report is expected to be 186,000 jobs, with unemployment of 4.80 pct.

Futures positioning on the CME in the week ending the 23rd August saw a further increase in gross Managed Money longs by 0.74 million to 28.455 million, while shorts bought back 0.36 million. This represents the first increase in net positioning since the first week of July. This change in net positioning took place at a VWAP of US\$1345.70, a very slight reduction over the previous week's level. Overall, longs appear to remain confident in the outlook for gold.

Global gold ETFs increased very slightly to 65.385 million Tozs.

GOLD

	Bid	Offer
Gold Spot AUD	\$1,747.04	\$1,747.62
Gold Spot USD	\$1,323.78	\$1,324.08

	52 week high (US\$)	Spot versus 52 week high	52 week low (US\$)	Spot versus 52 week low
Au	1,375.34	-3.74%	1,046.44	26.52%
Ag	21.14	-10.80%	13.65	38.15%
Pt	1,194.64	-9.77%	810.75	32.96%
Pd	747.1	-6.57%	451.85	54.49%

	%
US 10 Year YTM	1.5595
US 30 Year YTM	2.2142
10 Year Bund YTM	-0.085

	mid
Spot Silver	\$18.86
Spot Platinum	\$1,077.94
Spot Palladium	\$698.05
LME 3 month CA	\$4,615.00
LME 3 month AH	\$1,642.50
LME 3 month NI	\$9,810.00
LME 3 month ZN	\$2,314.50

Week ending	CME VWAP
23 Aug 16	\$1,345.74
16 Aug 16	\$1,346.28

	Benchmarks
Au AM	\$1,346.85
PM	\$1,346.40
Ag	\$19.42
Pt AM	\$1,115.00
PM	\$1,106.00
Pd AM	\$705.00
PM	\$711.00

CME Change	Au		
Net Managed	26,495,400	Tozs	AUD 0.7575
Δ % Wkly	4.26%	Wk	CNY 6.4684
Δ Toz Wkly	1,127,800	Wk	EUR 1.1198
Δ Toz YTD	3,907,000	YTD	JPY 100.53
TOCOM Net	-106,989	Tozs	
EFT position worldwide	65,338,400	Tozs	WTI \$46.98
Δ %	-0.07%	Dly	
Δ Toz	-46,196	Dly	
Δ Toz YTD	8,086,528	YTD	

Disclaimer: The information contained herein is based on data obtained from sources believed by ABC Bullion to be reliable. However, such information has not been verified by, ABC Bullion, and ABC Bullion does not make any representations or take any responsibility as to its accuracy. Any statements of a non-factual nature constitute only current opinions, which are subject to change without notice. ABC Bullion (and/or its affiliates) may have positions in commodities referred to herein, and may hereafter liquidate such positions. Neither the information in this report, nor any opinion expressed, shall be construed to be, or constitute, a recommendation or an offer to buy or sell, or a solicitation of an offer to buy or sell, any commodities or other financial products mentioned herein. If you do not wish to continue receiving this commentary please advise by return.



ABC BULLION HEAD OFFICE

Level 6 88 Pitt Street Sydney NSW 2000 Australia

P: +61 2 9231 4511 | F: +61 2 9233 2227 | E: info@abcbullion.com.au

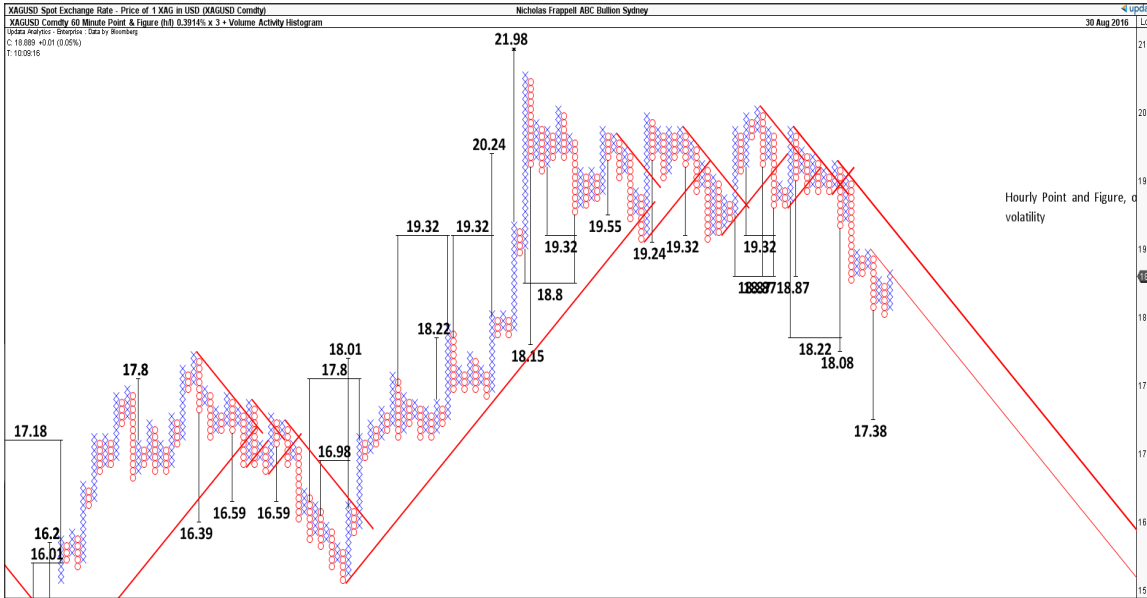
AUSTRALIA WIDE
1300 361 261

abcbullion.com.au



Nicholas Frappell
General Manager

ABC Bullion



Silver weakened again, closing last week on the monthly lows so far and dropping below the close of July. Decent long term support lines from the monthly Standard and Turning Lines converge around US\$17.40 and US\$17.61. It looks reasonable to expect the price to tend towards those levels, with specific targets to US\$17.74 and US\$17.38 (the latter basis the hourly log chart).

Again, the overall picture is short term bearish within a bullish longer term framework.

CME futures positioning saw a reduction in gross longs by 9.46 million, and an increase in gross shorts by 15.89 million. Shorts have expanded by 61.32 million Tozs since the 26th of July, whereas longs have declined by about 36.40 million Tozs. Last week's activity was done at a VWAP of US\$19.47, a slight reduction from the previous week's levels.

Global silver ETFs are now at 665 million Tozs, a very slight increase over the course of the week.

The Gold-silver ratio moved to 71.60 last week, fulfilling the targets mentioned on the 8th of August. Further weakness would target 72.20, however there is now a target back to the mid-August level of 68.

Crude saw long liquidation in the week ending the 23rd of August, however shorts bought back by almost four times as much as longs sold, buying over 61,000 contracts of managed money futures, almost half as much again as the previous week. This was done at a VWAP of US\$47.90. With an almost five dollar rally in the price, around 9.50 pct in one week, a bit of profit taking from longs seems understandable. The 34 pct reduction in gross short positioning in the period 9-23 August, from 303,778 to 201,278 lots, suggests a major drop in confidence in the ability of the crude price to dip significantly from here. Look for support at US\$44.30 and US\$43.45, and for the price to tack towards US\$57 and US\$63?

US 10 year bonds were capped by the Daily Cloud top at 1.603 pct until Friday, when bonds fell on a more hawkish sounding Jackson Hole and broke up through that technical resistance level. Look for 10 year yields to increase to 1.74-1.77.

SILVER	Bid	Offer
Silver Spot AUD	\$24.88	\$24.90
Silver Spot USD	\$18.85	\$18.86

	52 week high (US\$)	Spot versus 52 week high	52 week low (US\$)	Spot versus 52 week low
Au	1,375.34	-3.74%	1,046.44	-98.20%
Ag	21.14		13.65	
Pt	1,194.64		810.75	
Pd	747.1		451.85	

	%
US 10 Year YTM	1.56
US 30 Year YTM	2.214
10 Year Bund YTM	-0.085

	mid
Spot Gold	\$1,323.93
Spot Platinum	\$1,077.94
Spot Palladium	\$698.05

Week ending	CME VWAP
23 Aug 16	\$19.47
16 Aug 16	\$20.01

CME Change	Ag
Net Managed	394,960,000 Tozs
Δ % Wkly	-6.08% Wk
Δ Toz Wkly	-25,550,000 Wk
Δ Toz YTD	183,760,000 YTD

Benchmarks	
Ag	\$19.42
Au AM	\$1,346.85
PM	\$1,346.40
Pt AM	\$1,115.00
PM	\$1,106.00
Pd AM	\$705.00
PM	\$711.00

EFT position worldwide	Tozs	WTI
664,945,967	Tozs	\$46.98
0.00%	Wk	
0	Wk	

Disclaimer: The information contained herein is based on data obtained from sources believed by ABC Bullion to be reliable. However, such information has not been verified by ABC Bullion, and ABC Bullion does not make any representations or take any responsibility as to its accuracy. Any statements of a non-factual nature constitute only current opinions, which are subject to change without notice. ABC Bullion (and/or its affiliates) may have positions in commodities referred to herein, and may hereafter liquidate such positions. Neither the information in this report, nor any opinion expressed, shall be construed to be, or constitute, a recommendation or an offer to buy or sell, or a solicitation of an offer to buy or sell, any commodities or other financial products mentioned herein. If you do not wish to continue receiving this commentary please advise by return.



ABC BULLION HEAD OFFICE

Level 6 88 Pitt Street Sydney NSW 2000 Australia

P: +61 2 9231 4511 | F: +61 2 9233 2227 | E: info@abcbullion.com.au

AUSTRALIA WIDE
1300 361 261

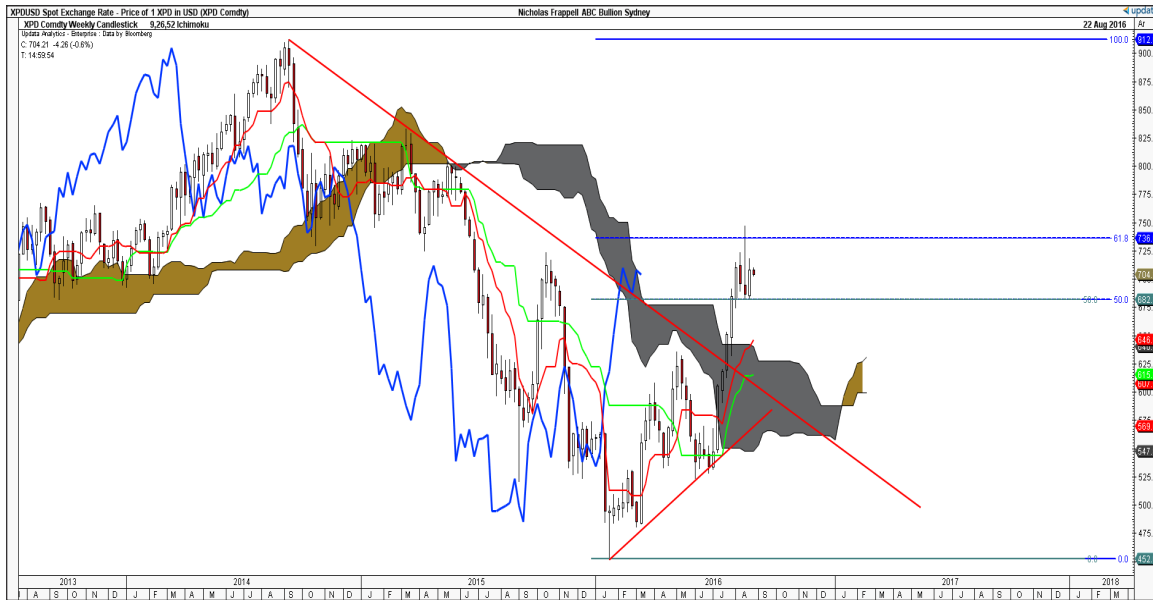
abcbullion.com.au

A PALLION COMPANY



Nicholas Frappell
General Manager

ABC Bullion



Palladium tried to probe the sub-US\$680 levels but was quickly pushed back although the week closed fairly weakly. The overall outlook is positive, but the short term looked like a push down towards support at US\$668 (the weekly Turning line) which has taken place since starting the report. The market rebounded off that level. Expect the rebound to find resistance at US\$706 in the short term. The trend remains positive but be prepared for weakness.

Medium term targets extend to US\$624 on the downside. If the price breaks above US\$706, look for a move back to US\$730.

CME Futures saw 81,000 Tozs of long liquidation of in the week ending the 23rd. Shorts did almost nothing over that period. The VWAP for the week of the 17th-23rd August was US\$702.00. Between Tuesday the 23rd and the end of last week, open interest declined by 143,000 Tozs, which suggests further long liquidation, on balance.

Palladium global ETFs are little changed at 2,094,047 Tozs.

Major support comes in at US\$627-635 from the Weekly Cloud top and the Weekly Standard Line (US\$635) and also the 38.20 pct. retracement of the move from the January lows to the July high at US\$747.45.

PALLADIUM	Bid	Offer	mid
Palladium Spot AUD	\$919.57	\$923.34	Spot Gold \$1,323.93
Palladium Spot USD	\$696.67	\$699.43	Spot Silver \$18.86

Week ending	CME VWAP
23 Aug 16	\$701.98
16 Aug 16	\$707.56

CME Change	Pd		
Net Managed	1,624,200	Tozs	AUD 0.7575
Δ % Wkly	-7.11%	Wk	CNY 6.4684
Δ Toz Wkly	-124,300	Wk	EUR 1.1198
Δ Toz YTD	972,800	YTD	JPY 100.53

	52 week high (US\$)	Spot versus 52 week high	52 week low (US\$)	Spot versus 52 week low
Au	1,375.34	-49.25%	1,046.44	-33.29%
Ag	21.14		13.65	
Pt	1,194.64		810.75	
Pd	747.1		451.85	

	Benchmarks
Pd AM	\$705.00
PM	\$711.00
Pt AM	\$1,115.00
PM	\$1,106.00
Au AM	\$1,346.85
PM	\$1,346.40
Ag	\$19.42

EFT position worldwide			
2,094,047	Tozs	WTI	\$46.98
0.00%	Wk		
Δ Toz change	-6,726	Wk	

Disclaimer: The information contained herein is based on data obtained from sources believed by ABC Bullion to be reliable. However, such information has not been verified by ABC Bullion, and ABC Bullion does not make any representations or take any responsibility as to its accuracy. Any statements of a non-factual nature constitute only current opinions, which are subject to change without notice. ABC Bullion (and/or its affiliates) may have positions in commodities referred to herein, and may hereafter liquidate such positions. Neither the information in this report, nor any opinion expressed, shall be construed to be, or constitute, a recommendation or an offer to buy or sell, or a solicitation of an offer to buy or sell, any commodities or other financial products mentioned herein. If you do not wish to continue receiving this commentary please advise by return.