



Level 6 88 Pitt Street Sydney NSW 2000 Australia

**P: +61 2 9231 4511 | F: +61 2 9233 2227 | E: [info@abcbullion.com.au](mailto:info@abcbullion.com.au)**

AUSTRALIA WIDE  
**1300 361 261**

abcbullion.com.au



**Nicholas Frappell**  
General Manager

# ABC Bullion

01 November 2016



Gold ratchets higher, hitting the 38.20 % Fibonacci retracement of the move down from the US\$1352.80 highs of early September, and retreating from the vicinity of the Weekly Standard Line. Look for support at US\$1272 and deeper support at US\$1237, with some resistance at US\$1297 from the Weekly Turning line.

Short term targets extend to US\$1313 and to US\$1321.

Gold in Australian dollars faces resistance at A\$1707 from the Weekly Turning Line, and has traded beautifully off the support point at the Weekly cloud. The upside targets on the medium-term chart extend to A\$1710, A\$1720 and A\$1734.

The gold price continues to recover against a background of a strengthening Dollar index (now up 2.76 % between the 14th of October and Friday the 28th) and rising USD yields, which shifted up from 1.718 to 1.877 % over the same period, a 9.25 % gain, all measured from the low to the high. Gold moved up 3.05 % over the same period in USD terms. The LIBOR-OIS spread, a traditional measure of risk in the banking system has narrowed over the last month, after quadrupling since last November. So gold is recovering into a headwind of sorts, and perhaps this is simply part of a recovery from the aggressive sell-off of the first week in November, couple with improving poll ?

CME positioning in the week to October the 25th saw 1.25 million Ftozs of net buying, with about 909,000 Ftozs of fresh Managed money sector longs, and the balance coming from short-covering. This was at a VWAP of US\$1267.30.

Global ETFs sold about 2.515 million Ftozs during the course of last week, with 5.713 million Ftozs of selling hitting the market on the 27th of October, apparently, followed by 2.917 million of buying, although that may be some quirk of how units are created and redeemed.

10 year US government bonds are fast approaching resistance at the Weekly Cloud base, with resistance at 1.90 pct.

GOLD		Bid		Offer		mid		Week ending		CME VWAP		CME Change		Au	
Gold Spot AUD		\$1,693.49		\$1,694.44		Spot Silver		\$18.52		25 Oct 16		\$1,267.30		Net Managed 15,180,700 Tozs AUD 0.7659	
Gold Spot USD		\$1,297.09		\$1,297.47		Spot Platinum		\$991.00		18 Oct 16		\$1,257.74		Δ % Wkly 9.58% Wk CNY 6.4684	
						Spot Palladium		\$628.77				Δ Toz Wkly 1,454,700 Wk EUR 1.1055			
												Δ Toz YTD 5,787,300 YTD JPY 104.82			
52 week high (US\$)		Spot versus 52 week high		52 week low (US\$)		Spot versus 52 week low						Benchmarks			
Au	1,375.34	-5.68%		1,046.44		23.97%		US 10 Year YTM 1.8025		Au AM		\$1,295.85			
Ag	21.14	-12.41%		13.65		35.66%		US 30 Year YTM 2.5672		PM		\$1,303.75		TOCOM Net 227,319 Tozs	
Pt	1,194.64	-17.05%		810.75		22.23%		10 Year Bund YTM 0.129		Ag		\$18.54			
Pd	747.1	-15.84%		451.85		39.15%		LME 3 month CA \$4,920.00		Pt AM		\$991.00		EFT position worldwide 65,682,072 Tozs WTI \$45.59	
								LME 3 month AH \$1,735.00		PM		\$994.00			
								LME 3 month NI \$10,405.00		Pd AM		\$630.00		Δ % 0.10% Dly	
								LME 3 month ZN \$2,465.00		PM		\$635.00		Δ Toz 63,028 Dly	
												Δ Toz YTD 726,968 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.



A PALLION COMPANY

## 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**

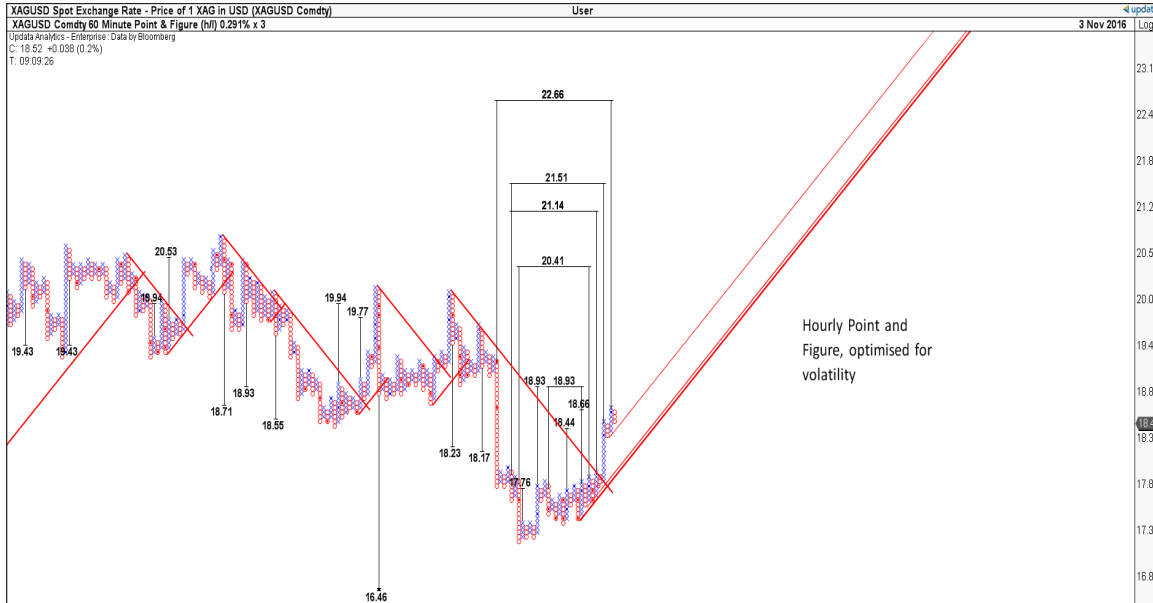
[abcbullion.com.au](http://abcbullion.com.au)



**Nicholas Frappell**  
General Manager

ABC Bullion

**01 November 2016**



Silver extends very slightly and opens more firmly today, but with less confidence overall than gold.

Look for resistance back at US\$18.48 and US\$18.62 from the Weekly Standard and Turning lines, (around current levels) consecutively. Right now there is a process of consolidation with upside targets extending to US\$18.66 and US\$18.96. Support comes in at US\$17.91 and US\$17.64.

CME positioning shows a decline of 13.12 million Tozs of Managed Money gross length, coupled with a very slight increase in gross managed money shorts, at a VWAP of US\$17.64 for the week 18th-25th October. Silver managed money gross length has seen a decline of just over 156 million Tozs in the month between September 27th and October the 25th, with gross shorts increasing by over 35 million Tozs at an approximate VWAP of US\$18.06. Since the 25th, CME open interest has fallen by about 46 million Tozs in the active month. Given the lack of price direction, it may reflect the unwinding of spreading contracts that grew rapidly over the previous two weeks.

Global ETFs have declined by a couple of million Tozs to 673,565,652 Tozs by the end of October.

Crude (Brent) saw a retreat to Weekly cloud top and Weekly Standard line support at US\$47.50. Look for support here, however the medium-term targets suggest a probe lower, to US\$46.25 and a possible test of US\$44.50 levels. Brent saw 7.48 million bbl of managed money long liquidation and 10.42 million bbl of managed money shorting at a VWAP of US\$52.47 in the week of the 18th-25th October. Higher US crude inventory and a boost in output from OPEC members Libya and Nigeria that frustrates attempts by the organisation to put a floor under prices.

### SILVER

	Bid	Offer
Silver Spot AUD	<b>\$24.16</b>	<b>\$24.20</b>
Silver Spot USD	<b>\$18.50</b>	<b>\$18.53</b>

	52 week high (US\$)	Spot versus 52 week high	52 week low (US\$)	Spot versus 52 week low
Au	<b>1,375.34</b>	-7.95%	<b>1,046.44</b>	-98.32%
Ag	<b>21.14</b>		<b>13.65</b>	
Pt	<b>1,194.64</b>		<b>810.75</b>	
Pd	<b>747.1</b>		<b>451.85</b>	

	mid
Spot Gold	<b>\$1,297.28</b>
Spot Platinum	<b>\$991.98</b>
Spot Palladium	<b>\$629.87</b>

	%
US 10 Year YTM	<b>1.803</b>
US 30 Year YTM	<b>2.567</b>
10 Year Bund YTM	<b>0.129</b>

Week ending	CME VWAP
25 Oct 16	<b>\$17.64</b>
18 Oct 16	<b>\$17.54</b>

	Benchmarks
Ag	<b>\$18.54</b>
Au AM	<b>\$1,295.85</b>
Au PM	<b>\$1,303.75</b>
Pt AM	<b>\$991.00</b>
Pt PM	<b>\$994.00</b>
Pd AM	<b>\$630.00</b>
Pd PM	<b>\$635.00</b>

CME Change	Ag	Tozs	AUD	CNY	EUR	JPY
Net Managed	203,395,000		0.7659	6.4684	1.1055	104.82
Δ % Wkly	-5.77%	Wk				
Δ Toz Wkly	-12,465,000	Wk				
Δ Toz YTD	-20,680,000	YTD				

EFT position worldwide	674,646,547	Tozs	WTI	\$45.59
	0.00%	Wk		
Δ Toz change	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.



A PALLION COMPANY

## 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

**01 November 2016**



Platinum has rallied back up to the US\$989 level, as suggested in last week's report. Now the price is hitting resistance at the Weekly Cloud, however a break above the Weekly Cloud suggests a further recovery in price to US\$1026 and US\$1062 in the relatively near term.

CME positioning in the week ending the 25th October showed a slight increase in managed money longs, of 27,050 Tozs. Managed money shorts expanded by 110,800 Tozs at a VWAP of US\$945.66. All in all, gross managed money shorts increasing by an impressive 641,700 Tozs since the 27th of September's COT figures, taking the gross short to 1,149,000 Tozs, more than doubling in a month at an estimated VWAP of US\$976.00. That positioning doesn't look too comfortable at current levels, although looking at the CME website, there seems little change in open interest since the 25th that might indicate short-covering. Overall, moves higher could become self-fulfilling if recent shorts are moved to buy back.

The principal SA producers have finally reached a settlement with South African labour union AMCU without strike action, a significant achievement given the history of days lost through labour disputes there. Union leaders may have calculated that the persistence of low prices was more likely to lead to shaft closures and further job cuts, and that a dispute would have only worsened matters.

The AUD continues to see an influx of speculative longs, with 262.70 million added in the week to the 25th. Shorts added 68.40 million, all of this at a VWAP of A\$76.42. The Aussie still looks fairly range-bound, with support at 0.75 and 0.744 from the weekly cloud chart. Short term targets suggest a move to 0.777 as positive price action takes shape after the RBA decided to hold rates. Medium term the market has scope to weaken down to 0.733 levels but for now it all feels rather sideways.

### PLATINUM

	Bid	Offer
Platinum Spot AUD	<b>\$1,293.11</b>	<b>\$1,297.58</b>
Platinum Spot USD	<b>\$990.39</b>	<b>\$993.56</b>

	mid
Spot Gold	<b>\$1,297.28</b>
Spot Silver	<b>18.52</b>

Week ending	CME VWAP
25 Oct 16	\$945.68
18 Oct 16	\$45.24

CME Change	Pt		
Net Managed	241,400	Tozs	<b>AUD</b> 0.7659
Δ % Wkly	-0.26%	Wk	<b>CNY</b> 6.4684
Δ Toz Wkly	-83,750	Wk	<b>EUR</b> 1.1055
Δ Toz YTD	-1,264,000	YTD	<b>JPY</b> 104.82

	52 week high (US\$)	Spot versus 52 week high	52 week low (US\$)	Spot versus 52 week low
<b>Au</b>	<b>1,375.34</b>	-27.87%	<b>1,046.44</b>	-5.20%
<b>Ag</b>	<b>21.14</b>		<b>13.65</b>	
<b>Pt</b>	<b>1,194.64</b>		<b>810.75</b>	
<b>Pd</b>	<b>747.1</b>		<b>451.85</b>	

Eurozone new car	<b>853,782</b>	Mo
Share of Diesel	<b>51.6</b>	An
Chinese total pt imports	<b>5.447</b>	Mo

	Benchmarks
<b>Pt</b> AM	\$991.00
<b>Pt</b> PM	\$994.00
<b>Pd</b> AM	\$630.00
<b>Pd</b> PM	\$635.00
<b>Au</b> AM	\$1,295.85
<b>Au</b> PM	\$1,303.75
<b>Ag</b>	\$18.54

TOCOM Net	746,428	Tozs	
EFT position worldwide	2,368,664	Tozs	<b>WTI</b> \$45.59
Δ Toz change	45,711	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.



A PALLION COMPANY

## 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**

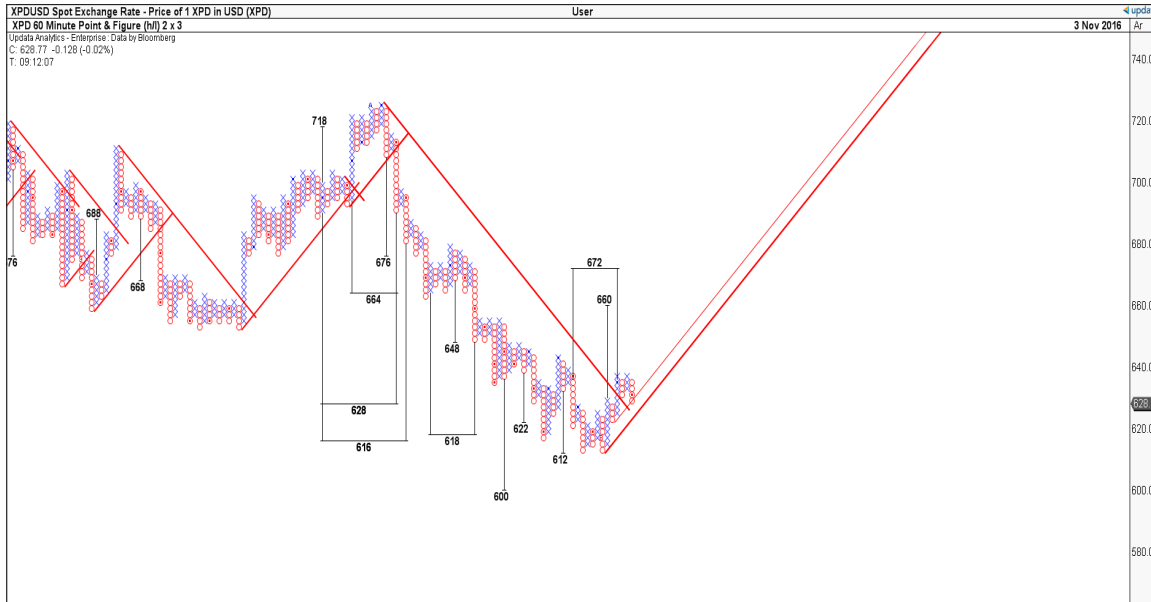
[abcbullion.com.au](http://abcbullion.com.au)



**Nicholas Frappell**  
General Manager

ABC Bullion

**01 November 2016**



Palladium found support in the Weekly Cloud top, or just below and has rallied back above that level, reaching Standard Line resistance at around US\$635.

Target-wise, a continuation of the rally and a break above current resistance levels at US\$635 would lead to US\$660 and US\$672, after softening to US\$622, especially after some positive data prints in China and the US.

CME positioning reveals a further erosion in Managed money longs by another 197,000 Tozs. Managed money shorts grew slightly, but only by 19,600 Tozs, to 291,200 Tozs. The VWAP for these changes was US\$633.20. Since Tuesday the 25th, open interest has grown, suggesting some fresh buying, as opposed to short covering.

Global palladium ETFs have hardly changed, at 2,020,702 Tozs for the remainder of the month.

After retracing almost 50 % of the 2016 rally, and reversing out of the Weekly cloud, the outlook for palladium remains fairly positive with the price tracing out a positive longer-term cycle notwithstanding the declines of the past month. The gross managed money long position has declined by 42 % since the early August highs, a reduction of 833,100 Tozs, and arguably positioning looks more favourable.

### PALLADIUM

	Bid	Offer	mid
Palladium Spot AUD	<b>\$820.66</b>	<b>\$824.34</b>	
Palladium Spot USD	<b>\$628.54</b>	<b>\$631.20</b>	

Spot Gold	<b>\$1,297.28</b>
Spot Silver	<b>\$18.52</b>

### Week ending CME VWAP

25 Oct 16	\$633.20
18 Oct 16	\$646.08

### CME Change

Pd	Tozs	AUD	0.7659
Net Managed	832,500		
Δ % Wkly	-17.15%	Wk	CNY 6.4684
Δ Toz Wkly	-172,300	Wk	EUR 1.1055
Δ Toz YTD	161,000	YTD	JPY 104.82

	52 week high (US\$)	Spot versus 52 week high	52 week low (US\$)	Spot versus 52 week low
Au	<b>1,375.34</b>	-54.20%	<b>1,046.44</b>	-39.81%
Ag	<b>21.14</b>		<b>13.65</b>	
Pt	<b>1,194.64</b>		<b>810.75</b>	
Pd	<b>747.1</b>		<b>451.85</b>	

	Benchmarks
Pd	AM \$630.00
	PM \$635.00
Pt	AM \$991.00
	PM \$994.00
Au	AM \$1,295.85
	PM \$1,303.75
Ag	\$18.54

### EFT position worldwide

2,024,335	Tozs	WTI	\$45.59
0.10%	Wk		
-2,174	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.