



Gold

Bid		Offer		Benchmarks		CME Change			
Gold AUD	\$1,679.04	\$1,679.64	AM	\$1,334.95	Net	19,804,000	AUD	0.7987	
Gold USD	\$1,341.20	\$1,341.48	PM	\$1,333.85	Δ %	22.92%	CNY	6.4684	
CME Au	\$1,316.81	Ag	17.16	\$17.10	Ag	4,539,000	EUR	1.2264	
VWAP Au	\$1,299.23	Ag	\$16.89	AM	\$991.00	Δ Toz	-1,097,918	JPY	111.06
				PM	\$994.50				
				AM	\$1,111.00	ETF		LME	
				PM	\$1,105.00	Global	71,556,357	CA	7,078.00
						Δ %	0.06%	AH	2,189.00
Au	1,357.61	-1.20%	1,180.66	13.61%	AM	Δ Toz	45,937	NI	12,545.00
Ag	18.65	-7.57%	15.19	13.51%	PM	Δ Toz YTD	34,378	ZN	3,404.50
Pt	1,044.75	-4.10%	873.21	14.74%	US				
Pd	1,139.68	-3.44%	712.36	54.48%	Bund				
				US	10 Yr	2.53%	WTI	\$63.95	
				US	30 Yr	2.82%	YTM		
				Bund	10 Yr	0.56%	YTM		
							BRENT	\$69.15	

Good morning. Since last week's commentary, gold has hit the US\$1344 target, and trades relatively close to that level. Near-term targets lie at US\$1351, and then US\$1359-1361 on the upside, but intraday look for gold to cycle back to US\$1333-1329 if the price remains below US\$1345?

The US Dollar weakens despite OK retail sales, inflation numbers last week. Unfortunately-worded statements from the White House about various countries, some not un-adjacent to the United States, have soured chances of securing a spending and immigration deal, prompting talk of a government shut-down, possibly damaging the Dollar.

Managed Money futures positioning on the CME grew by a further 4.77 million FTozs in the week to the 9th January, to a total of 21.612 million. Managed money shorts declined by a negligible amount, to remain at a (negligible...) 2.01 million FTozs. This growth in fresh longs took place at a VWAP of US\$1316.80 and with the price around US\$1340 my concerns from last week look misplaced. From the 9th, open interest grew by just under a million FTozs over the next two days, with the price gaining.

In brief, gold futures length has almost doubled in three weeks, with the additional 9.95 million FTozs being acquired at a volume-weighted average price of US\$1296 over the period from December the 19th to January the 9th.

Support at US\$1325, then US\$1319, with deeper support at US\$1297. US\$1360 the big number to get past. A close above that level might invite a longer-term move to US\$1455-1460.

Atlanta Fed president Raphael Bostic, who will join the FOMC on the 30th of this month, has declared his comfort with "a slow removal of policy accommodation", which helps with the overall tone.

The outlook remains positive overall, with the Dollar index testing some serious support levels now, perhaps unexpectedly.

Silver struggles around the US\$17.40-45 level with trend-line resistance noted. Support at US\$16.90, US\$16.52, and US\$15.67. CME managed money futures length grew by 59.60 million, to 331.12 million Tozs by the 9th of January. The VWAP for the week was US\$17.16.

Short-covering continued, with 51.895 million Tozs bought back between the 2nd and the 9th of January. In total, speculative shorts in the managed money sector have bought just over 140 million Tozs since the 19th of December, as longs added about 97.60 million.