



	GOLD	SILVER	PLATINUM	PALLADIUM
OPEN	1219.30/50	15.93/95	915/17	862/64
HIGH	1224.50/70	15.97/99	920/22	867/69
LOW	1218.40/60	15.88/90	914/16	861/63
LAST LEVEL	1222.70/90	15.93/95	917/19	861/63

Range Asian Hours (from Globex open)

MACRO: Federal Reserve President Janet Yellen presented her semi-annual testimony to congress on Wednesday, discussing recent developments across the U.S. economy in addition to indicating, as expected, that the committee will begin balance sheet 'normalisation' later this year. Chair Yellen noted that the economy continues to add jobs and is benefitting from a pickup in household consumption as well as improved business investment, however inflation, although expected to return to 2% over the next couple of years, currently has an uncertain near-term outlook. With regards to interest rates Yellen stated that the Federal funds rate "would not have to rise all that much further", adding that should the economy continue at current pace it is expected that there will be "gradual increases in the federal-funds rate over time". Day two of Chair Yellen's testimony is scheduled for Thursday in front of the Senate Banking Committee. The Federal Reserve Beige Book released on Wednesday showed economic growth as 'slight to moderate' during the period of late May to through June, while tight labour availability was cited across some districts as creating headwinds for employment growth. Employers are reluctant to increase wages even amid the tightening labour market and as such wage growth was described as increasing at a modest to moderate pace. Equity markets in the U.S. received a boost on Wednesday from Federal Reserve Chair Janet Yellen's dovish skew, seeing the DJIA to a fresh record closing high, the first for the bourse since June 19. Solid gains to big names such as DuPont (+2.75%) and Microsoft (+1.66%) helped support the bourse +0.57% higher to 21,532.14 points, while strength across technology (+1.31%) and Real Estate (+1.30%) underpinned a +0.73% gain to the S&P 500 as all eleven sectors ended in positive territory. The Nasdaq Composite continued to benefit from the push back into technology stocks, rising +1.10% for a fourth consecutive session gain. Oil futures closed modestly higher on Wednesday after enduring whippy data driven pricing in early New York. Crude saw underlying support following data released by the EIA noting U.S. domestic crude supplies fell by 7.6 million barrels during the week ended July 7, however the positive data was tempered somewhat by reports that crude production increased by 59,000 barrels per day to 9.397 million barrels per day. WTI ended the session around +0.7% higher to settle at USD \$45.49 per barrel, while Brent added USD \$0.22 for a +0.5% gain at



USD \$47.74 per barrel. Treasury yields in the U.S. eased on Wednesday following Yellen's testimony to congress, seeing the 10-year 3.4bps lower to 2.327%. Markets in Europe turned higher on Wednesday on the back of Yellen's testimony to congress, with particular focus on the prepared remarks noting that interest rates do not have to rise much further. The Stoxx Europe 600 posted its highest close in two weeks to gain +1.52%, matched by a +1.52% increase to the German Dax, while the French CAC shaded the two to close +1.59% higher. In the U.K. the FTSE 100 jumped +1.19% to notch the largest single-session percentage gain since April 24 as major oil players showed strength.

PRECIOUS: Gold ended higher on Wednesday following a generally orderly ascent that was punctuated by a brief period of volatility following the release of Federal Reserve Chair Janet Yellen's prepared remarks. The dovish skew to Yellen's comments and indications that the federal reserve aren't in any rush to increase the funds rate underpinned the metal's bid tone throughout the U.S. session, printing a USD \$1,225.75 high before easing modestly into the close. Asian trade on Thursday saw a general bid tone across the precious complex, with gold well supported around USD \$1,220 in early flows, before Chinese demand and a leg lower to the greenback saw gold steadily higher throughout afternoon pricing. The consolidation around USD \$1,220 should be viewed as positive for near-term pricing, with the relatively light long positioning instilling confidence in the market that the metal is open to further top-side moves. Geopolitical concerns out of the Korean peninsula are likely to supportive for the broader precious complex, while the very fluid Trump-Russia collusion story continues to create uncertainty across markets. Silver once again tested a break back above USD \$16 on Wednesday and has outperformed the remainder of the precious complex in recent sessions following the USD \$15.20 low printed on Monday (now close to +5% higher). After easing back through the figure late in New York trade on Wednesday, the grey metal made several attempts to trade above USD \$16 in Asia on Thursday; however consistent offers on Comex restricted any further moves higher. Silver will look for a consolidated move through USD \$16.00 for a further leg higher, with targets extending to USD \$16.50 over the near-term. Platinum consolidated Wednesday's short squeeze higher during Asian trade today, moving further away from the pivot point of USD \$900, while palladium held a relatively narrow range and will look to USD \$850 for support. Today we see Fed Chair Yellen's testimony in front of the Senate Banking Committee, while on the data front we receive German and French CPI, U.S. Initial Jobless Claims, U.S. PPI, U.S. Bloomberg Consumer Confidence and the U.S. Monthly Budget Statement.