

Precious Metals Report – Wednesday June 17, 2015

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Report Date	16-Jun-15				
OTC		Gold	Silver	Platinum	Palladium
New York Close	15-Jun-15	\$1,186.65	\$16.1330	\$1,088.85	\$735.15
Asia Open	16-Jun-15	\$1,186.00	\$16.0700	\$1,086.00	\$733.00
High Bid	16-Jun-15	\$1,187.50	\$16.130	\$1,092.70	\$740.00
Low Offer	16-Jun-15	\$1,176.70	\$15.920	\$1,079.50	\$733.00
New York Close	16-Jun-15	\$1,181.75	\$16.0150	\$1,080.05	\$733.80
Daily Change USD		-\$4.90	-\$0.1180	-\$8.80	-\$1.35
Daily Change %		-0.41%	-0.73%	-0.81%	-0.18%
London Fixings AM	16-Jun-15	\$1,182.10	\$16.0300	\$1,088.00	\$740.00
	16-Jun-15	\$1,177.75		\$1,084.00	\$739.00
COMEX/NYMEX					
Active Month	16-Jun-15	\$1,180.90	\$15.9650	\$1,079.80	\$732.80
Previous	15-Jun-15	\$1,185.80	\$16.0830	\$1,088.60	\$734.15
Daily Change		-\$4.90	-\$0.12	-\$8.80	-\$1.35
Daily Change %		-0.41%	-0.74%	-0.81%	-0.18%
FFP's \$	16-Jun-15	-0.85/-0.65	-0.05/-0.04	-0.25/0.25	-1.00/-0.50
OTC Forwards & Options		1 Month	3 Months	6 Months	12 Months
GOFO	16-Jun-15	0.12000%	0.15000%	0.24000%	0.37000%
SIFO	16-Jun-15	0.47000%	0.50000%	0.57000%	0.70000%
USD LIBOR	16-Jun-15	0.18500%	0.28625%	0.45185%	0.78960%
Gold ATM Vols	16-Jun-15	11.70%	12.90%	14.50%	16.00%
Silver ATM Vols	16-Jun-15	23.50%	23.20%	24.00%	24.70%

The information contained in this table has been taken from trade and statistical services and other sources which we believe to be reliable. INTL FCStone does not guarantee that such information is accurate or complete and it should not be relied on for pricing and/or trading decisions.

Commentary: (Written on Tuesday, June 16 at 5:30 p.m., US East Coast time). Gold lost ground on Tuesday despite the dollar finishing slightly weaker ahead of the US Federal Reserve policy statement out later on Wednesday.

In the meantime, the Greek crisis is taking a turn for the worst, with both sides now blaming each other for the impasse. However, as we have been writing in recent commentary, gold has been unable to make much sense of this issue, not moving higher on “bad news”, while not falling much either on “good news”. On Thursday, G7 finance ministers meet, but it is unclear what will they will be discussing, since both sides are saying they’re not going to be forwarding any new proposals. “Unfortunately, there is little new to report,” German Chancellor Merkel told a news conference, while in Athens Greek Prime Minister Tsipras accused the Eurozone of trying to “humiliate” Greece, while accusing the IMF of conducting “criminal” schemes against the Greek people.

Meanwhile, European officials denied a German newspaper report that Athens was planning to delay the June 30th payment to the IMF by six months; earlier in the week, another official also denied that preparations were under way for capital controls to be imposed on Greece as early as this coming weekend. None of this is exactly a favorable backdrop for an agreement and we don’t see the two sides signing over the dotted line and toasting each other with ouzo anytime soon. In fact, a Reuters poll reveals that investors are now assigning a 50% probability of Greece defaulting on its debt, although a much smaller percentage believe the country will exit the Euro entirely.



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In the interim, the Fed policy statement and Janet Yellen's subsequent news conference will be moving front and center of market focus, providing an element of support for the dollar and – at least judging from Tuesday's performance – putting gold under some pressure.

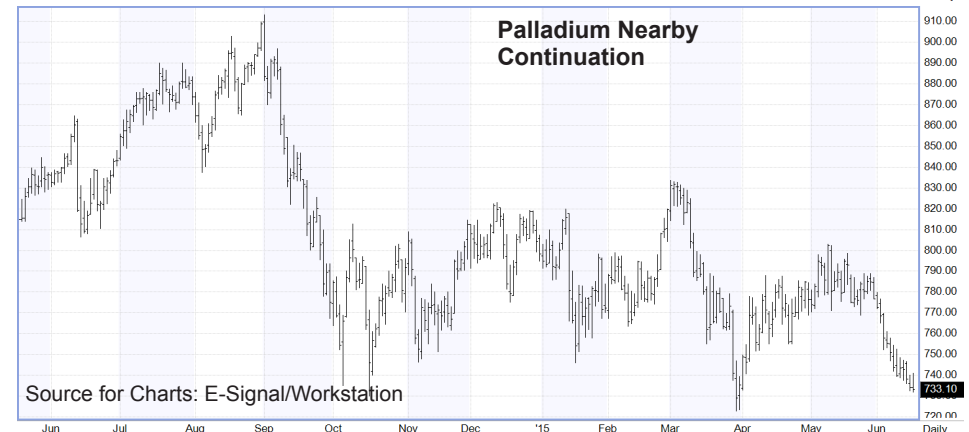
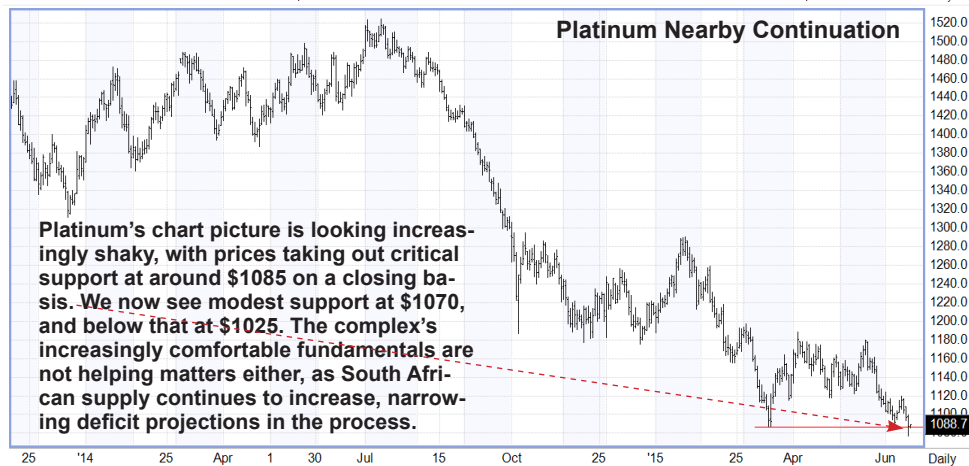
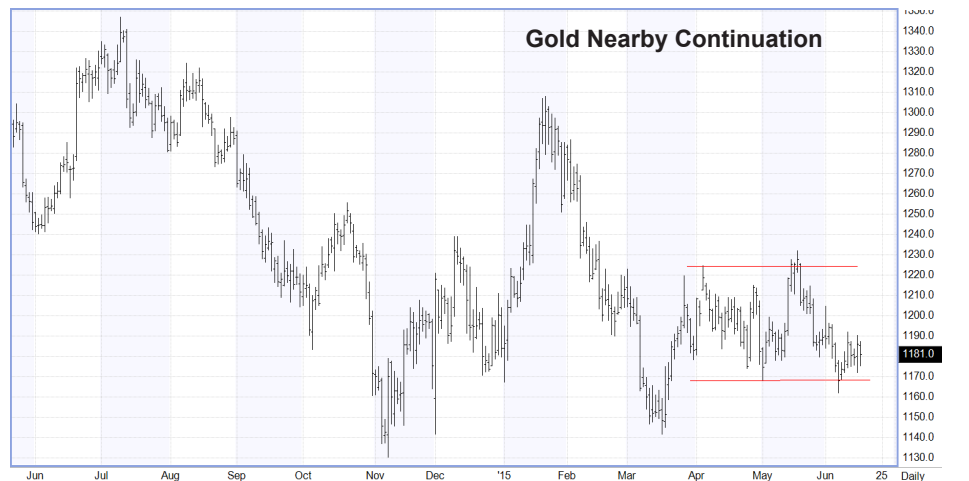
Meanwhile, US data out Tuesday showed a fall in housing starts in May, although permits surged to their highest level in nearly 8 years, suggesting that activity will likely be picking up in the months ahead.

In macro news out of Europe, a pair of ZEW surveys showed German economic sentiment dropping rather sharply, to 31.5 in June from 41.9 in May, while Eurozone sentiment dipped to 53.7 in June from 61.2.

In the physical markets, there were continued outflows of money out of gold, with assets at the SPDR Gold Trust falling 0.3% to 701.9 tons on Monday, the lowest since 2008.

In other news, Reuters reports that the Bank of China will join seven other institutions on an electronic platform that will set the gold price benchmark, as it attempts to compete with the London standard.

Although we are formally neutral on gold over the short-term as we wait for the Greek situation to assume some clarity, we think the precious metal will likely struggle going into Wednesday's session in light of the Fed statement. Things still remain too murky after that, as this weekend will likely prove to be critical for the markets.



Source for Charts: E-Signal/Workstation