

**Third Quarter**

2019 MARKET UPDATE

**FIDELI TRADE<sup>®</sup>**  
**INCORPORATED**  
*Trusted Bullion Services...Straight From The Source<sup>™</sup>*



# INSIDE THIS ISSUE

---

## Gold

Gold up 4.5%

---

## Silver

Silver up 11%

---

## Platinum & Palladium

Platinum down less than 5.8%

Palladium up 9%

# MARKET UPDATE

## 2019 THIRD QUARTER

Against the backdrop of the fear of recession, several factors were at work to draw investors to gold in the third quarter: a decline in interest rates, a choppy stock market, geopolitical tensions, disarray in Washington and trade and currency wars. In the third quarter, gold prices rallied \$63, or nearly 4.5%, to settle at \$1,472.50. The other precious metals benefitted as well, with silver prices notching the largest percentage gain of nearly 11% as prices moved up \$1.68 to \$17. Palladium prices added \$138, nearly 9%, to end the quarter at \$1676 while platinum prices settled at \$883 for a gain of \$48, or nearly 5.8%.

As the US Dollar Index gained nearly 2.5% in July, gold's gains were a modest \$4.00. On the last day of July, the Federal Reserve cut the overnight federal funds rate. Although gold prices fell on the day of the announcement, the 25-basis point cut likely fostered the yellow metal's



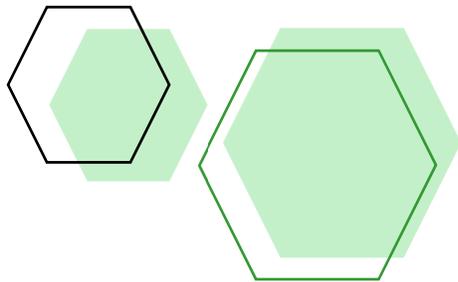
\$107 rally in August. Federal Reserve President Powell called the central bank's first cut since 2008 a "mid-cycle" adjustment.

In August, interest rates fell sharply: the 10-year Treasury yield moved 51 basis points lower. During the month, headlines featured the trade war with China. Stocks suffered, with the S&P 500 shedding nearly 4.7%. On August 7, gold prices rallied 2% to break \$1500 for the first time since 2013. At the end of August, the 10-year Treasury yield fell below the 2-year yield; when this spread turns negative, it can be a harbinger of recession. Gold prices traded as high as \$1,542 on the 27<sup>th</sup> but retraced to close August at \$1,520 for a monthly gain of 7.54%.

September saw gold prices relinquish \$48.00, or about half of August's outsized gain. But September would first feature a new six-year high on the back of recession fears. As the 10-year yield lingered below 1.5% for a handful of days, gold prices rallied to \$1,552. On the 11<sup>th</sup>, President Trump said the Federal Reserve should lower interest rates to "zero or less" so US debt could be refinanced at better levels.

Central banks were active in the first month of fall. On September 12<sup>th</sup>, in a bid to support economic growth, the European Central Bank cut interest rates 10 basis points to negative 0.50%, a new record low, and announced a monthly 20-billion-euro bond buying program with no specific end date. Separately, interest rates in Japan were already negative.

Here at home, on September 18<sup>th</sup>, the Federal Reserve cut the federal funds rate 25 basis points again for a second time this year, in part to offset the impact of declining US exports. Slowing export activity and the unresolved trade war with China had made US business owners hesitant to make new investments. The 18<sup>th</sup> is also when details of the whistleblower complaint about President Trump's call to his Ukrainian counterpart was made public. On the 24<sup>th</sup>, the fourth ever presidential impeachment inquiry was launched. From the 18<sup>th</sup> to the 24<sup>th</sup>, gold prices rallied approximately \$36 to \$1531.00. By the end of the month, fears of further escalation of the of the US-China trade war had abated and the US Dollar Index rallied. Gold prices closed the month and quarter on a downslope, at \$1,472.



## Top Performer!



Silver is up 11% and still rising.

### FIDELITRADE NEWS

Borrow against your bullion. Low rates and no credit check

Invest monthly through our Accumulation Plan

### Connect With Us!

<https://twitter.com/FideliTrade>

<https://www.linkedin.com/in/fidelitrade-incorporated/>

