

# QUARTERLY **MARKET** OUTLOOK

## Q2 2019



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# 01

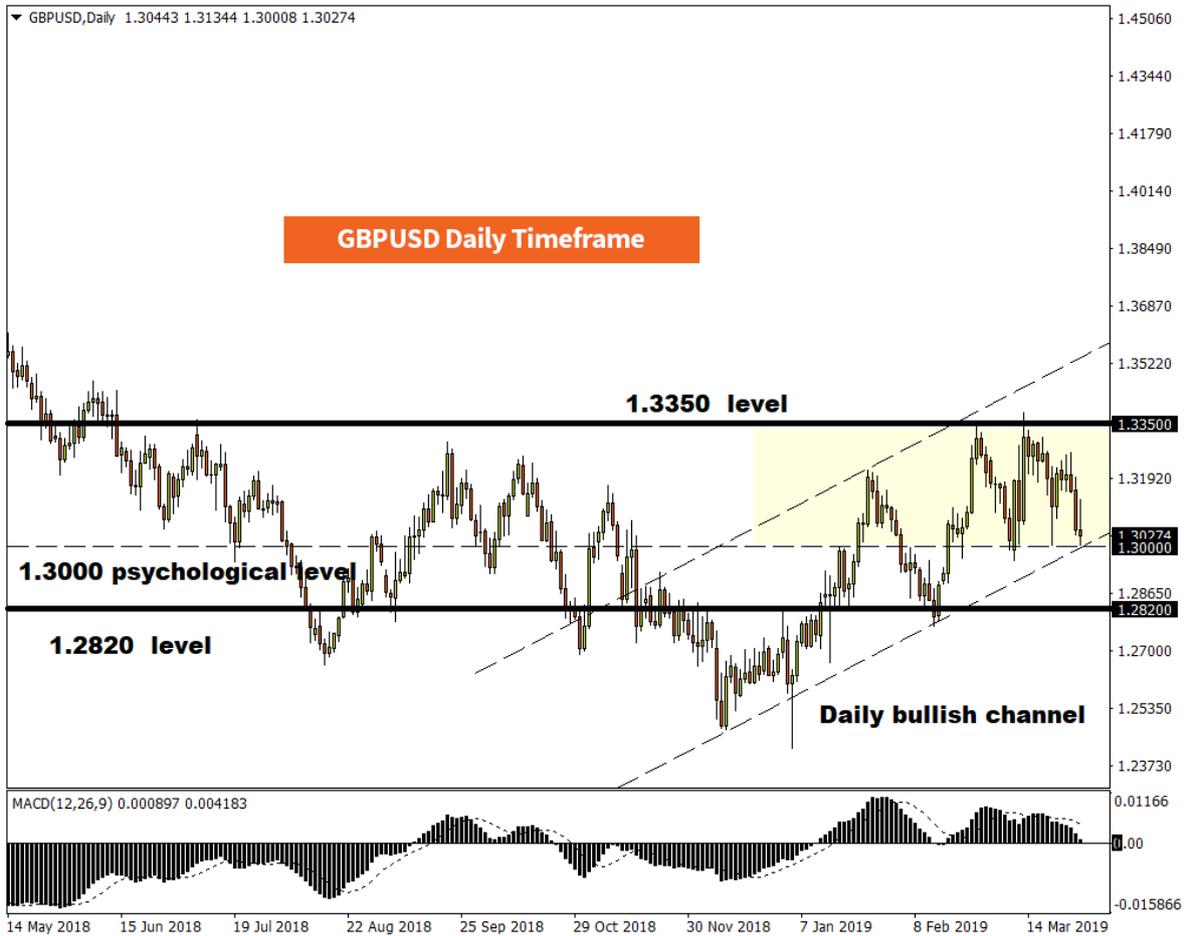
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Much of the positivity seen in the Pound has been encouraged by expectations that the United Kingdom is heading for a softer Brexit, a potential second referendum or, as some optimists would like to believe, no Brexit at all.

### Investors guilty of complacency regarding no-deal Brexit risks

Given that at time of writing there have been multiple defeats and rejections of UK Prime Minister Theresa May's Brexit deal, and that the latest headline from the EU Commission is that a no-deal Brexit on April 12 is "likely", the upside in recent months for the Pound has been a mystery for most traders.

Market participants need to be aware of the risks over market complacency with Brexit uncertainty because investors do not look like they are positioned at all for no-deal Brexit risks, or a disorderly Brexit.



# Q5

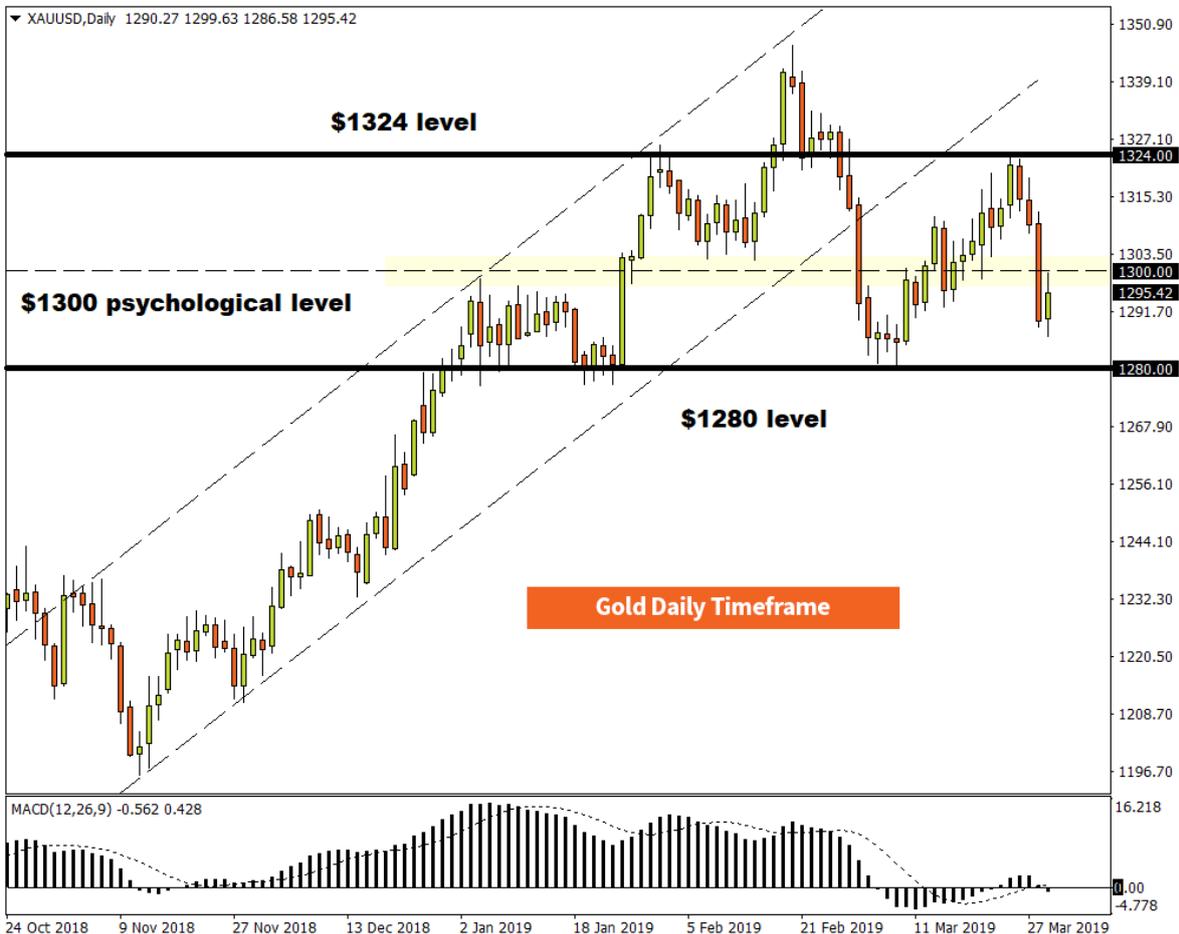
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The year has been roughly 0.86% due to conflicting fundamental themes. But with the narrative around slowing global growth dampening appetite for risk and the Federal Reserve solidifying its dovish policy U-turn, the outlook for Gold is looking increasingly bright.

## Gold to remain heavily influenced by Dollar in the near term

I expect the metal's near-term performance to be heavily influenced by risk sentiment and the Dollar's valuation. Investor risk sentiment remains strained by ongoing US-China trade developments and Brexit drama, while Dollar bulls appear to be running out of steam. Although the Greenback held up remarkably well during the first quarter of 2019 despite a dovish Fed, there is a strong suspicion that the currency is running on borrowed time. With speculation over the Fed potentially cutting rates in the future threatening the Dollar's competitive advantage, Gold has another valid reason to push higher.





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