



**MKS PAMP GROUP**  
**Asia Market Update**  
**6<sup>th</sup> September 2018**

Range Asian Hours  
(from Globex open)

	<b>GOLD</b>	<b>SILVER</b>	<b>PLATINUM</b>	<b>PALLADIUM</b>
<b>OPEN</b>	1197.10/30	14.18/20	785/87	977/79
<b>HIGH</b>	1199.60/80	14.22/24	788/90	980/82
<b>LOW</b>	1195.50/70	14.14/16	781/83	974/76
<b>LAST</b>	1197.10/30	14.17/19	783/85	974/76

**MARKETS/MACRO**

Mortgage applications in the U.S. eased modestly during the week ended August 31, slipping -0.1% to mark the seventh fall in 8 weeks following a -1.7% decline the week prior. The U.S. trade deficit widened to a five-month high during July, with notably the gap with China reaching a record high. The Commerce Department reported the trade deficit increased 9.5% to USD \$50.1 million (exp: USD \$45.7 million) as imports hit a record high. Equities in the U.S. ended mixed on Wednesday, largely a result of weakness across the technology sector as executives from Facebook and Twitter testified before the Senate Intelligence Committee into foreign governments' use of social networks to spread misinformation. The DJIA inched +0.09% higher to 25,974.99 points, while heavy trade to technology (-1.34%) offset gains to consumer staples (+1.18%) and utilities (+1.27%) to see the S&P 500 down -0.28% to 2,888.60 points. The Nasdaq Composite meanwhile collapsed -1.19% to 7,995.172 points. The greenback softened in New York on Wednesday (DXY -0.3%), notably falling against the British pound following news that Germany would be willing to accept a less detailed Brexit agreement with the U.K. The Pound added +0.43% after tempering gains late, while the euro reclaimed the 1.16 handle to add +0.4%. U.S. treasury yields were mostly unchanged following the trade deficit release, seeing the 10-year around 2.90% and the two-year holding 2.65%. Markets in Europe exhibited weakness on Wednesday on the back of concerns over trade. The Stoxx Europe 600 was off -1.09% to 375.68 points, while the German Dax fell -1.39% to 12,040.46 points. In the U.K. the FTSE 100 declined -1.00% to 7,383.28 points as the pound jumped late in trade on Brexit headlines.

**PRECIOUS**

A positive session for gold on Wednesday as bargain hunters and a softer dollar underpinned a bid tone. The metal saw support toward USD \$1,190 in early Asian trade, while interest out of China saw the metal extend toward USD \$1,195 before layered offers weighed upon the price action. Mixed dollar flows kept the yellow metal within a narrow range in London, until the Brexit headlines gave the precious a boost to see bullion finally through USD \$1,195 to hold a +0.4% gain into the close. Vols were largely unchanged to see 1m sit just underneath 10, while ETF's recorded inflows of 50k ounces. Silver tested a move toward USD \$14.10 in early European trade, however saw interest in New York to touch a USD \$14.22 high and end with a +0.3% gain. Platinum was well bid during U.S. hours to gain +0.8%, while palladium underperformed to end -1% lower.

Asian trade today saw mixed interest in the precious, testing toward USD \$1,200 in early trade on the back of dollar weakness, before sliding lower during the afternoon. The greenback traded heavily into the Chinese open, notably against the yen following BOJ headlines, however attempts by gold to move



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through the psychological figure were met with heavy selling pressure. Shanghai traded at a USD \$6 premium over London gold to underpin robust price action, however once the far East took lunch, the bids were removed from the market and bullion eased toward the overnight break-out level of USD \$1,195. Afternoon trade saw the metal track back toward USD \$1,197 to end flat on the session. Gold remains sensitive to dollar flows and will look toward reclaiming USD \$1,200 if it is to constructively move higher. Support extends broadly through USD \$1,190 - \$1,195 over the near-term and we are starting to see signs of a base around this level.

Data today includes German factory orders, U.S. ADP employment, U.S. initial jobless claims, U.S. Markit services / composite PMI, U.S. ISM non-manufacturing index, U.S. factory orders and U.S. durable goods orders.

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