



**MKS PAMP GROUP**  
**Asia Market Update**  
7<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>	1200.30/50	14.16/18	791/93	975/77
<b>HIGH</b>	1203.50/70	14.20/22	792/94	976/78
<b>LOW</b>	1199.20/40	14.08/10	785/87	971/73
<b>LAST</b>	1199.90/10	14.12/14	792/94	974/76

**MARKETS/MACRO**

Initial jobless claims in the U.S. declined 10,000 during the week ended September 1, falling to 203,000 (exp: 213,000) to a near 49-year low. The weekly print saw the four-week moving average decline 2,750 to 209,500, while continuing claims eased 3,000 to 1.707 million (exp: 1.720 million) during the week ended August 25. The Markit U.S. services PMI (final) for August eased to 54.8 from a preliminary read of 55.2 and well down on July's 56.0. The ISM non-manufacturing index surged to 58.5 during August to follow a read of 55.7 during July. Factory orders in the U.S. slipped -0.8% MoM during July (exp: -0.6%), while factory orders ex-transportation inched +0.2% higher MoM. Durable goods orders declined -1.7%, while core capital goods jumped +1.6% to mark the biggest gain since April. ADP employment in the U.S. came in underneath expectations during August, adding 163,000 payrolls (exp: 200,000) from 217,000 during July. Medium size businesses were largely responsible for the gains, adding 111,000 payrolls, while large businesses gained 31,000 employees and small business increased by 19,000. The services sector was responsible for the creation of 139,000 positions, while manufacturing added 19,000 payrolls and construction increased by 5,000. U.S. equities were again under pressure on Thursday as technology and energy names weighed upon the major bourses. The DJIA inched +0.08% higher to 25,995.87 points, while weakness across energy (-1.93%) and technology (-0.81%) took the S&P 500 -0.37% lower to 2,878.05 points and the Nasdaq Composite sunk -0.91% to 7,922.726 points. Mixed trade for the greenback on Thursday, opening sharply lower in Asia before finding a bid in Europe as the euro tested toward 1.16. The buck saw whippy price action in New York around the employment figure, however was able to end the session generally unchanged.

**PRECIOUS**

A disappointing session for gold during Asian trade today, reversing an early session bid tone to slip underneath the important USD \$1,200 support into the London open. Bullion saw relatively robust price action in early trade, underpinned by Chinese physical demand to print a USD \$1,203.50 session high. The short covering that drove the yellow metal higher on Thursday looks to have been exhausted and as soon as China closed for lunch we saw a change in mentality. Gold immediately turned well offered, breaking briefly through USD \$1,200 with little in the way of support around the figure. Ominously for gold, the dollar was offered into the London open, however this provided no support for the metal with sentiment undoubtedly turning negative underneath USD \$1,200. Participants continue to fade any rallies through USD \$1,200 and until we see a sustained move above the figure, while more importantly a break above USD \$1,215, it is difficult to hold long positioning. All eyes today on the U.S. NFP print, however aside from a knee-jerk reaction to a soft figure if that's the case, it is difficult to see the dollar sustainably lower to buoy bullion. Silver continues to threaten a move underneath USD \$14 and if we see a break



**MKS PAMP**  
GROUP

lower the metal could easily test toward USD \$13.70 in a short period of time. Palladium has exhibited weakness over the last 24 hours after failing to break through the 200 DMA, however forwards remain in deep negative to underpin interest. Data today also includes Eurozone GDP and U.K. house prices.

*Although the information in this report has been obtained from and is based upon sources MKS believes to be reliable, we do not guarantee its accuracy and it may be incomplete or condensed. All opinions and estimates constitute MKS' judgment as of the date of this report and are subject to change without notice. This report is for informational purposes only and is not intended as investment advice, offer or solicitation for the purchase or sale of an investment. This report does not consider or take into account the investment objectives or financial situation of a particular party.*