



MKS PAMP GROUP
Asia Market Update
10th September 2018

Range Asian Hours
(from Globex open)

	GOLD	SILVER	PLATINUM	PALLADIUM
OPEN	1196.80/00	14.16/18	781/83	980/82
HIGH	1196.80/00	14.17/19	782/84	981/83
LOW	1191.70/90	14.08/10	776/78	977/79
LAST	1192.90/10	14.12/14	778/80	977/79

MARKETS/MACRO

Jobs data out of the U.S on Friday exceeded expectations to show 201,000 payrolls added during August (exp: 190,000). There were downwards revisions to the last two months totalling 50,000, however the 12-month average held just underneath 200,000. The unemployment rate held at 3.9% during August (exp: 3.8%), while the broader underemployment rate, which takes into account discouraged workers eased to 7.4% from 7.5% previously. Average hourly earnings increased +0.4% MoM to see the annualised figure at +2.9% YoY (exp: +2.7%). Equity markets in the U.S. ended lower on Friday following comments from President Trump regarding a further USD \$267 Billion in tariffs directed toward China. The DJIA ended -0.31% lower at 25,916.54 points, sliding -0.2% on the week, while the S&P 500 declined -0.22% to 2,871.68 points, ending the week -1% down. The technology sell-off continued to weigh upon the Nasdaq Composite, seeing the bourse -0.25% down on Friday to 7,902.542 points and -2.6% softer over the week. The greenback received a boost following the U.S. wages growth on Friday, seeing the DXY index add +0.41% on the session. The buck made notable gains against the Australian dollar (AUD/USD -1.4%) as the U.S. – China trade war continues to weigh upon the commodity dependent currency.

PRECIOUS

Continued dollar strength weighed upon bullion during Asian trade on Monday, with the metal unable to reclaim the USD \$1,200 handle following Friday's wage / payrolls driven weakness. The short-covering rally that drove price action higher last week looks to have been exhausted and we are now once again looking toward near-term weakness for bullion. A mild bid tone out of China supported price action during Shanghai trade, however the physical interest out of the far East wasn't enough to counteract persistent dollar strength, notably against USD /China as CNY fixed around +0.3% higher than closing levels on Friday. The yellow metal extended to a USD \$1,191.70 low during late afternoon trade and will look for support toward USD \$1,190 to restrict further declines. The latest COTR data shows a further decrease in net positioning, largely driven by an increase in gross shorts, while gross longs were also reduced. Overall positioning is supportive for further short covering; however it is currently difficult to see a catalyst for a sustained move above USD \$1,200, with further extension through USD \$1,215 the key for near to medium term reversal in trend. Silver remains resilient above USD \$14 and will need to hold the figure to restrict a test toward USD \$13.70 - \$13.80, while platinum continues to trade between USD \$750 - \$800 and palladium remains in backwardation to underpin interest in the metal. Data today includes U.K. manufacturing / industrial production and U.S. consumer credit.



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