



MKS PAMP GROUP
Asia Market Update
20th August 2018

Range Asian Hours
(from Globex open)

	GOLD	SILVER	PLATINUM	PALLADIUM
OPEN	1183.10/30	14.76/78	787/89	910/12
HIGH	1187.30/50	14.80/82	791/93	915/17
LOW	1183.00/20	14.74/76	786/88	909/11
LAST	1187.10/30	14.79/81	790/92	915/17

MARKETS/MACRO

The University of Michigan consumer sentiment index declined to an 11-month low during August, falling to 95.3 (exp: 98.0) from 97.9 in July. Meanwhile the U.S. leading index outpaced expectations, rising to +0.6% (exp: +0.4%) from +0.5%. Equities in the U.S. posted gains on Friday to see the DJIA close at the highest level since late February on optimism over the resumption of trade talks between the U.S. and China. The bourse ended the session +0.43% higher at 25,669.32 points, booking a +1.4% rise on the week. The S&P 500 saw strength across real estate stocks (+0.96%) as the bourse added +0.33% to 2,850.13 points, while gaining +0.6% on the week. The greenback softened on Friday to book notable declines against the euro and the pound, seeing the DXY index off -0.51% for the session. Treasury yields in the U.S. were also lower following U.S. – China trade talk headlines.

PRECIOUS

Gold had a positive session during Asian trade on Monday, consolidating Friday's late session gains to book a modest return. The yellow metal was generally well supported throughout the session, with continued interest out of China helping to underpin price action. The Shanghai premium held toward USD \$5 - \$6 for much of the session, while USD/China eased lower as the dollar failed to recover from Friday's declines. The latest CME COTR shows gold speculative positioning has turned net negative for the first time since 2001. Gross shorts increased further to a fresh record high, while gross longs inched only marginally higher to see total positing sit around 52% of the all-time high. Gold ETF flows registered a modest decline of 50,000 ounces on Friday, with a tempering of redemptions lessening top-side headwinds for bullion. Expect a broad band of resistance through USD \$1,190 - \$1,200, while further offers should congregate around USD \$1,200. There are no major data releases scheduled today.

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.