



MKS PAMP GROUP
Asia Market Update
30th August 2018

Range Asian Hours
(from Globex open)

	GOLD	SILVER	PLATINUM	PALLADIUM
OPEN	1206.20/60	14.73/76	795/98	964/66
HIGH	1207.60/00	14.77/80	798/81	968/70
LOW	1200.80/20	14.63/66	787/90	950/52
LAST	1201.50/90	14.65/68	791/94	961/63

MARKETS/MACRO

US equities continued to rise, with both the S&P 500 and the Nasdaq posting record finishes for the fourth consecutive session. The Dow added 60.55 points, or 0.23%, to 26,124.57, the S&P 500 rose 16.52 points, or 0.57%, to 2,914.04, while the Nasdaq gained 79.65 points, or 0.99%, to 8,109.469. There were wins for consumer discretionary (+1.12%) and tech (+1.01%) while telecoms (-0.76%) led the laggards. European equities were mostly higher, the EuroSTOXX advanced 1.12 points, or 0.29%, to 386.58, the German DAX put on 34.26 points, or 0.27%, to 12,561.68, and the London FTSE 100 lost 54.01 points, or 0.71%, to 7,563.21. In the currencies, the US dollar index fell 0.20% to 94.53, the EUR traded up to 1.1709 despite dipping as low as 1.1656 in early London hours, while USD/JPY traded up to 111.81. US treasury yields were higher, the 2 year yield firmed 1.0 bps to 2.676% while the 10 year yield added 0.4 bps to 2.884%. Oil prices were higher as the EIA reported a draw of 2.6 million barrels in crude oil inventories. Brent picked up 1.86% to \$77.36 while WTI rose 1.75% to \$69.73. Base metals were mostly lower, with nickel (-1.28%) leading the losses. In US economic data, GDP grew at a 4.2% annualized rate in the second quarter, the figure was revised up from the preliminary estimate of 4.1% and slightly ahead of economist's expectations. Pending home sales fell 0.7% in July following a 1% rise in June. In Asia today, as I write the Nikkei is at +0.25%, the Shanghai composite is at -0.81%, the Hang Seng is at -0.61%, and the ASX S&P 200 is at +0.16%. Tonight we have weekly jobless claims, personal income, consumer spending, and core inflation out of the US; business confidence, services sentiment, consumer confidence, consumer inflation expectations, economic sentiment, and industrial sentiment out of the Eurozone; and also unemployment and inflation data out of Germany.

PRECIOUS

Quiet session for the precious as gold hangs on above \$1200. Gold opened at the day's low of \$1200 and saw a mild bid tone through Asian hours. China were light buyers with the SGE premium was around \$7-8 despite USD/CNH firming through the session. The market hovered between \$1202-05 through the London AM session in thin volume. The US dollar came under pressure in early NY trading, gold hit \$1206 before retracing slightly, then printed the session high \$1207 just before the close. Silver remained range-bound through the session before closing modestly higher at \$14.72. Palladium was the stand-out performer, climbing \$22 to close right at the \$963 high. The Philadelphia gold and silver index added 0.23%. The SPDR Gold Trust holdings remained unchanged at 759.87 metric tonnes. In Asia today, USD/CNH is trending higher again which put gold under early selling pressure. The SGE premium has eased to \$5-6 over loco London and we are seeing selling from the Chinese banks. Gold bumped up to \$1207.60 just after the open and has been losing ground ever since, the yellow metal is currently sitting at



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\$1201.50. Silver is also softer, the grey metal is at \$14.65 as I write. PGMs are trading lower, with platinum dropping \$9 to a low of \$787. Gold is just ahead of the psychological support at \$1200, next level below that would be last week's low of \$1183. On the upside, there should be resistance at Tuesday's high of \$1214 and plenty of sellers around the 55 DMA at \$1227. Have a good day ahead.

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