



MKS PAMP GROUP

Daily Asia Wrap

19th July 2018

Range Asian Hours
(from Globex open)

	GOLD	SILVER	PLATINUM	PALLADIUM
OPEN	1227.10/50	15.54/57	813/16	907/09
HIGH	1228.30/70	15.56/59	819/22	909/11
LOW	1221.00/40	15.38/41	804/07	905/07
LAST	1221.80/20	15.39/43	807/10	905/07

MARKETS/MACRO

US equities were mostly higher after a strong showing by the banks. The Dow added 79.40 points, or 0.32%, to 25,199.29, the S&P 500 rose 6.07 points, or 0.22% to 2,815.62, while the Nasdaq inched lower 0.674 points, or 0.01%, to 7,854.444. There were wins for financials (+1.53%) and industrials (+1.13%) while consumer staples (-0.65%) led the laggards. European equities were higher, the EuroSTOXX advanced 2.08 points, or 0.54%, to 387.06, the German DAX rallied 104.4 points, or 0.82%, to 12,765.94, and the London FTSE 100 gained 49.95 points, or 0.65%, to 7,676.28. In the currencies, the US dollar index firmed 0.09% to 95.07, the EUR was as low as 1.1614, while USD/JPY traded down to 112.78. US treasury yields were mixed, the 2 year yield lost 0.61 bps to 2.6093% and the 10 year yield rose 0.92 bps to 2.8692%. Oil prices were higher, Brent rose 1.15% to \$72.99 while WTI gained 1.00% to \$68.76. Base metals were mostly lower, with nickel (-1.32%) taking the biggest hit. In US economic data, housing starts dropped to a seasonally adjusted annual rate of 1.173 million in June from 1.337 million in May. Building permits fell to an annual rate of 1.273 million in June from 1.301 million in May. The Federal Reserve's Beige Book showed that 11 out of 12 regions in the US were growing at a modest rate or faster. However, growth was being curtailed by a shortage of skilled workers and a rise in the costs of some raw materials. In Asia today, as I write the Nikkei is at +0.02%, the Shanghai composite is at -0.49%, the Hang Seng is at +0.01%, and the ASX S&P 200 is at +0.36%. On the data front tonight, we have weekly jobless claims, the Philly Fed index, and leading economic indicators out of the US.

PRECIOUS

A flat session for the precious as the metals claw back early losses. Gold opened near the previous day's low at \$1227 in Asia and came under pressure as USD/CNH traded higher. The metal was sold to a fresh low of \$1222 despite an SGE premium of \$1-2 prompting some onshore buying. The London AM session saw the market move lower still, touching \$1221 as USD/JPY went above 113. NY trading was kinder to the yellow metal, recovering all the early the losses to trade around up to \$1227 in the afternoon and close flat. Silver posted a 2 year low \$15.42 before paring the early losses. PGMs recovered to finish at \$817 and \$906 respectively. The Philadelphia gold and silver index added 0.17%. In today's trading, gold popped up to the day's high \$1228.30 early on but faced a sell off once USD strengthened against the yen. The yellow metal printed a low of \$1221.00 and is slightly higher at \$1221.80 as I write. Silver slumped to a low of \$15.38 and is currently sitting at \$15.39. Palladium is flat while platinum is at near the lows at \$807. Gold should find first support at yesterdays low of \$1221, with the psychological \$1200 level to follow. Resistance at \$1229 with this weeks high of \$1245 above that. Have a good day ahead.

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