



## MKS PAMP GROUP

### Daily Asia Wrap

31<sup>st</sup> July 2018

Range Asian Hours  
(from Globex open)

	<b>GOLD</b>	<b>SILVER</b>	<b>PLATINUM</b>	<b>PALLADIUM</b>
<b>OPEN</b>	1221.30/70	15.48/51	827/30	927/29
<b>HIGH</b>	1223.10/50	15.50/53	829/32	930/32
<b>LOW</b>	1218.50/90	15.39/42	821/24	924/26
<b>LAST</b>	1219.00/40	15.39/42	825/28	926/28

#### MARKETS/MACRO

US equities were lower as turmoil in the tech sector continues to weigh on the markets. The Dow lost 144.23 points, or 0.57%, to 25,306.83, the S&P 500 fell 16.22 points, or 0.58%, to 2,802.60, while the Nasdaq dropped 107.420 points, or 1.39%, to 7,630.000. There were wins for telecoms (+1.95%) and energy (+0.84% while tech (-1.78%) and industrials (-0.94%) led the laggards. European equities were lower, the EuroSTOXX shed 1.16 points, or 0.30%, to 390.92, the German DAX sold of 62.20 points, or 0.48%, to 12,798.20, and the London FTSE 100 edged lower 0.46%, or 0.01%, to 7,700.85. In the currencies, the US dollar index eased 0.33% to 94.358, the EUR climbed to 1.1717 ahead of the GDP and CPI data release from the Eurozone tonight, while USD/JPY was as low as 110.92. US treasury yields were mixed, the 2 year yield lost 0.81 bps to 2.6613% while the 10 year yield firmed 1.86 bps to 2.9728%. Oil prices were higher as tensions in the Middle East increase, Brent rose 0.86% to \$74.93 while WTI climbed 2.10% to \$70.13. Base metals were mixed, with zinc (-1.50%) registering the biggest move. In US economic data, the NAR pending home sales index rose 0.9% to 106.9 in June following a 0.5% decline in May. In Asia today, as I write the Nikkei is at +0.04%, the Shanghai composite is at +0.26%, the Hang Seng is at -0.44%, and the ASX S&P 200 is at +0.03%. On the data front tonight, we have employment cost index, personal incomes, consumer spending, core inflation, home price index, Chicago PMI, and the consumer confidence index out of the US; and GDP, inflation, and unemployment figures out of the Eurozone.

#### PRECIOUS

Quiet night for the precious as gold remains within a tight range. Gold opened at \$1222 in Asia and drifted to the session low of \$1218 as China came in and USD/JPY traded above 111. The SGE premium was around \$1-1.50 which prompted light selling from the Chinese banks. London bought the metal up to opening levels as the EUR found support. Gold hit the day's high \$1224 in early NY trading as the EUR/USD pushed through 1.17. NY turn sellers at this point, the yellow metal drifted lower through the afternoon to close all but flat at \$1221. Silver dipped in Asia but recovered to close slightly in front at \$15.47. PGMs were rangebound also, with platinum and palladium closing at \$827 and \$929 respectively. In Asia today, gold opened at \$1221.30 and printed the high of \$1223.10 early on, it has remained within a \$5 range through the rest of the day. The SGE premium is still \$1-1.50 and flows from China have been limited. The yellow metal reached the day's low of \$1218.50 in late Asian hours as USD/JPY was bolstered by news that the Bank of Japan intends to keep interest rates low for an extended period of time. Gold is sitting at \$1219.00 as I write. Silver under late pressure and is sitting right on the low of \$15.39 as I write. PGMs are flat. Have a good day ahead.



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