



## MKS PAMP GROUP

### Daily Asia Wrap

21<sup>st</sup> June 2018

Range Asian Hours  
(from Globex open)

	<b>GOLD</b>	<b>SILVER</b>	<b>PLATINUM</b>	<b>PALLADIUM</b>
<b>OPEN</b>	1267.50/70	16.28/30	870/72	964/66
<b>HIGH</b>	1269.40/60	16.31/33	871/73	966/68
<b>LOW</b>	1262.20/40	16.18/20	861/63	960/62
<b>LAST</b>	1263.70/90	16.26/28	865/67	963/65

#### MARKETS/MACRO

The U.S. current account deficit widened by USD \$8 billion to USD \$124.1 billion during Q1 (est: \$129 billion). The print was largely driven by an increase in imports and higher oil prices. Existing home sales in the U.S. contracted during May, sliding -0.4% MoM to 5.43 million (exp: +1.1%). The print was the second consecutive decline following a downwardly revised -2.7% fall in April. The decline was largely driven by a -0.6% fall in single family homes, while regionally the Midwest sunk -2.3% to lead three of four regions lower. Equities in the U.S. ended mixed on Wednesday as investors considered the implications of fresh trade war headlines, with the U.S. ambassador to Germany meeting with leading automotive players to discuss ending/reducing car tariffs. The DJIA declined -0.17% to 24,657.80 points to mark the seventh consecutive session decline for the bourse, the longest such streak since March 2017. Gains to real estate stocks (+1.10%) helped buoy the S&P 500 to a +0.17% gain at 2,767.32, while the Nasdaq Composite (+0.72%) printed a fresh record close of 7,781.515 points as biotech stocks turned higher. The greenback saw mixed price action on Wednesday, however managed to book a modest gain (DXY +0.1%) on the session. The buck gained ground against the yen to consolidate above 110.00, while the euro softened marginally. European equities bounced back from recent weakness on Wednesday, seeing the Stoxx Europe 600 +0.28% higher at 384.29 points, while the German Dax tacked on +0.14% to 12,695.16 points. In the U.K. the FTSE 100 added +0.31% to 7,627.40 points, supported by gains to tobacco giants British American Tobacco (+2.38%) and Imperial Brands (+3.2%) after both were given buy ratings by Liberium.

#### PRECIOUS

Gold held a narrow range on Wednesday, however skewed to the down-side too see the metal decline underneath USD \$1,270. Modest Chinese interest underpinned the yellow metal during Asian hours as Shanghai continued to see the metal at a premium of USD \$6. The bid tone saw bullion push briefly above USD \$1,275, however layered spec offers and producer selling restricted any further top-side gains. Gold softened modestly into the European open to test toward USD \$1,270, while dollar strength in New York saw the metal underneath the figure to print a USD \$1,268.50 low. Silver extended recent weakness to touch a USD \$16.26 session low on Wednesday, while platinum booked a positive session after finding interest in New York.



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Gold extended recent weakness during Asian trade on Thursday, weighed down by a stronger greenback to test toward at USD \$1,260. The metal held a narrow range into the Chinese open, however sellers soon wrestled control to push gold underneath the USD \$1,267 support. Interest around USD \$1,265 kept bullion buoyant during the Chinese lunch break, however it wasn't long before the metal made a further leg lower, extending to a USD \$1,262.20 low as the dollar continued to run higher. We continue to see ETF outflows, albeit only modest daily volumes, with risks to the down-side extending should funds increase the pace of unwinding. Resistance sits toward USD \$1,275, while support sits around USD \$1,250 and below this the Dec 2017 low of USD \$1,236 will become vulnerable. Data releases today includes the BOE rates decision, U.S. initial jobless claims, the Philadelphia Fed business outlook, U.S. FHFA house prices and the U.S. leading index.

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