



MKS PAMP GROUP

Daily Asia Wrap

28th June 2018

Range Asian Hours
(from Globex open)

	GOLD	SILVER	PLATINUM	PALLADIUM
OPEN	1251.80/00	16.06/08	857/59	952/54
HIGH	1253.90/10	16.11/13	857/59	954/56
LOW	1251.05/25	16.06/08	853/55	951/53
LAST	1251.30/50	16.10/12	853/55	951/53

MARKETS/MACRO

Durable goods orders in the U.S. declined -0.6% in May (exp: -1.0%) from an upwardly revised -1.0% fall in April (prev: -1.6%). Orders excluding transportation eased -0.3% MoM (exp: +0.5%) from a +1.9% gain previously as orders for motor vehicles and parts sunk -4.2% to mark the largest drop since January 2015. Orders for non-defence capital goods (ex-air), a closely watched proxy for business spending plans, eased -0.2% MoM (exp: +0.5%) to follow a +2.3% gain the month prior. Pending home sales in the U.S. declined during May, sliding -0.5% MoM (exp: +0.5%) to follow a -1.3% fall the month prior. Declines were concentrated in the South (-3.5%), while the Northeast gained+2.0%, the Midwest added +2.9% and the West rose +0.6%. Equity markets in the U.S. traded heavily on Wednesday, driven by sharp declines to technology names and concerns over trade policy. The DJIA shed -0.68% to 24,117.59 points to end underneath its 200 DMA for a third consecutive session. The S&P 500 sunk -0.86% to 2,699.63 points and ended below its 50 DMA as technology stocks (-1.45%) led 8 of eleven of the bourse's components lower. The greenback rallied against majors on Wednesday, seeing the DXY +0.6% higher after headlines indicating President Trump had decided against signing an executive order against Chinese investment in U.S. tech companies. Oil futures ripped higher on Wednesday following a U.S. Energy Information report showing domestic crude supplies fell by 9.9 million barrels for the week ended June 22, the largest weekly decline this year. WTI surged +3.2% to settle at USD \$72.76 per barrel, the highest finish for the benchmark since late November 2016. Brent crude ended the session +1.7% higher to USD \$77.62 per barrel to mark the highest close since May.

PRECIOUS

Gold continued to trade softly during Asian trade today, however was able to hold above the previous session low print as the greenback held relatively unchanged. A mild early session bid saw bullion through USD \$1,254 into the Chinese open, however further weakness to USD/China in early Shanghai trade dragged the metal lower once again, however seeing only modest volumes through Globex to hold the metal within a narrow range. Afternoon price action saw bullion skew marginally to the down-side as the greenback caught a mild bid into the London open, seeing gold touch a USD \$1,251.25 low, with good supply evident toward USD \$1,250 to restrict further declines. Gold continues to be weighed upon by ETF



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outflows, with a further 140k ounces registered on Wednesday, while a rampant greenback adds further weight to the price action. Initial support for the metal sits broadly around USD \$1,250, while below this the Dec 2017 low of USD \$1,236 will become vulnerable. Data releases today include German CPI, U.S. Initial jobless claims, U.S. GDP and U.S. PCE.

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