



MKS PAMP GROUP

Daily Asia Wrap

25th May 2018

Range Asian Hours
(from Globex open)

	GOLD	SILVER	PLATINUM	PALLADIUM
OPEN	1305.00/20	16.65/67	911/13	977/79
HIGH	1305.20/40	16.67/69	911/13	980/82
LOW	1301.60/80	16.58/60	909/11	975/77
LAST	1303.60/80	16.63/65	911/13	978/80

MARKETS/MACRO

President Trump has cancelled the scheduled June 12th meeting with North Korea in Singapore, citing Pyongyang's "open hostility" and noting in a letter to Kim Jong-un that he felt it was "inappropriate, at this time, to have this long planned meeting". Earlier on Thursday, North Korea once again threatened to pull out of the summit and warned that it was prepared for a nuclear showdown with Washington if necessary. Existing home sales in the U.S. declined -2.5% during April (exp: -0.9%) to follow a +1.1% gain in March, while on an annualised basis sales declined -1.4%. Initial jobless claims in the U.S. ticked 11,000 higher during the week ended May 19 to 234,000, seeing the four-week moving average 6,250 higher to 219,750. Continuing claims meanwhile gained 29,000 to 1.74 million during the week ended May 12. Equity markets in the U.S. traded heavily on Thursday, led lower by energy stocks and a risk-off theme following the cancelled U.S. – North Korea summit. The DJIA eased -0.30% to end the session at 24,811.76 points, while the S&P 500 pulled back -0.20% to 2,727.76 points as energy (-1.67%) led the declines. The greenback slipped lower on Thursday on the back of renewed geopolitical risk, notably losing ground against the safe-haven yen to see the DXY -0.2% lower.

PRECIOUS

A surprisingly muted session for gold during Asian hours today considering the overnight price action, held within a narrow range amid a recovering buck. A mixture of greenback strength and profit taking following the move above USD \$1,300 had the yellow metal skewed marginally to the down-side in early session flows, running into dollar headwinds to as the DXY added around +0.2% to weigh upon the metal. Interest toward the psychological USD \$1,300 restricted any further declines and we look to the key level as a pivot point for near-term price action. Top-side focus turns to the 200 DMA currently sitting at USD \$1,307.70, a level that capped gains in New York on Thursday, however we should see interest re-emerge on a consolidated break above the figure as confidence in the metal builds. Silver importantly captured the USD \$16.50 handle on Thursday and has held the level during Asian trade today, while platinum has



MKS PAMP
GROUP

consolidated above USD \$900 and palladium has held a narrow range following the overnight swings. Data today includes German IFO survey results, U.K. GDP, U.S. durable goods and the University of Michigan consumer sentiment print.

Although the information in this report has been obtained from and is based upon sources MKS believes to be reliable, we do not guarantee its accuracy and it may be incomplete or condensed. All opinions and estimates constitute MKS' judgment as of the date of this report and are subject to change without notice. This report is for informational purposes only and is not intended as investment advice, offer or solicitation for the purchase or sale of an investment. This report does not consider or take into account the investment objectives or financial situation of a particular party.