



MKS PAMP GROUP
Asia Market Update
18th September 2018

Range Asian Hours
(from Globex open)

	GOLD	SILVER	PLATINUM	PALLADIUM
OPEN	1201.10/30	14.16/18	800/02	985/87
HIGH	1201.40/60	14.16/18	800/02	988/90
LOW	1197.00/20	14.07/09	794/96	982/84
LAST	1199.00/20	14.15/17	799/01	987/89

MARKETS/MACRO

The main market drivers on Monday were headlines surrounding the trade war between the U.S. and China, with the latter potentially cancelling upcoming trade talks should President Trump go ahead with announcing further tariffs on USD \$200 billion worth of Chinese imports. Investors traded cautiously ahead of an expected announcement, with technology including Apple and Amazon well offered on the back of the escalating tensions. The DJIA declined -0.35% to 26,062.12 points, while weakness across technology (-1.28%) and consumer discretionary (-1.27%) stocks weighed upon the S&P 500 to have the bourse off -0.56% to 2,888.80 points at the close. The tech-laden Nasdaq Composite bore the brunt of the weakness however, collapsing -1.43% to 7,895.792 points, marking the largest single-session fall since late July. Manufacturing activity in the New York region softened during August according to the latest Empire State index. The monthly print declined to 19.0 (exp: 23.0) from 25.6 the month prior, as new orders and shipments tracked heavily. The greenback reversed Friday's gains on Monday on the back of the escalating trade concerns. The DXY index sunk -0.48% to lose notable ground against the euro (EUR/USD +0.54%) and the pound (GBP/USD +0.66%), while holding generally unchanged against the yen. Treasury yields edged higher once again on Monday, seeing the 10-year edge above 3% and the two-year edged just under 1bp higher to 2.786%. European equities ended mixed on Monday as ongoing trade concerns weighed upon investor appetite. The Stoxx Europe 600 edged +0.12% higher to 378.31 points, the German Dax eased -0.23% to 12,096.41 points, while in the U.K. the FTSE 100 slipped -0.03% to 7,302.10 points as the pound pushed higher on positive Brexit progress.

PRECIOUS

Following Monday's positive move back above the important USD \$1,200 pivot point, gold slipped underneath the figure in early Asian trade following the announcement from President Trump of 10% in tariffs on a further USD \$200 billion worth of Chinese imports. The headlines post U.S. equity market close saw the greenback open higher to weigh upon bullion, however supportive price action out of China (prem USD ~\$6.50) saw the metal base around USD \$1,197 to restrict further declines. Early afternoon headlines out of China; "China says cooperation is only right choice for China, U.S." saw a reversal to the early session dollar strength into the Shanghai lunch break, however the yellow metal failed to recapture the USD \$1,200 handle and spent the remainder of the afternoon holding toward USD \$1,198. Heightened trade tensions between the U.S. and China should eventually become supportive to higher gold prices over the near-term and it is disappointing to once again see the metal under USD \$1,200. Broad interest toward USD \$1,193 remains supportive for bullion, however should the greenback firm further gold could extend through to USD \$1,185. Resistance at USD \$1,215 is the key for an extension to USD \$1,230, with recent shorts likely to become nervous around these levels. Silver continues to see



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interest above USD \$14 to restrict further tests underneath the figure, while platinum struggles to hold the key USD \$800 pivot point and palladium tests offers around the 200 DMA.

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