



MKS PAMP GROUP
Europe / US Market Update
21st August 2018

Range Asian Hours
(from Globex open)

	GOLD	SILVER	PLATINUM	PALLADIUM
OPEN	1190.40/60	14.76/78	796/98	916/18
HIGH	1196.30/50	14.82/84	800/02	917/19
LOW	1190.40/60	14.76/78	796/98	911/13
LAST	1194.10/30	14.82/84	800/02	915/17

MARKETS/MACRO

With a lack of economic data releases for direction, equities in the U.S. found support on the back of hopes of improved trade relations between the U.S. and China, in addition to the announcement by PepsiCo that they would buy SodaStream. The DJIA booked a +0.35% gain to end at 25,758.69 points, while the S&P 500 was buoyed by strength across materials (+0.71%) and energy (+0.66%) to end +0.24% higher at 2,857.05 points. Both of the major bourses did however trim gains into the closing bell following comments from President Trump, escalating his criticism of Fed Chairman Jerome Powell and higher interest rates. The greenback extended recent declines on Monday, well offered in New York to see the DXY hand back -0.4%. The buck notably lost ground against the euro as the pair headed toward 1.15, while USD/JPY tested a break of 110.00. Treasury yields eased on Monday to see the curve at its flattest in 11 years. Longer dated yields slipped the most to see the 10-year 4.7bps lower to 2.823%, while the two-year declined 2.4bps to 2.596%. Oil futures notched a third successive session gain on Monday as the U.S. sanctions on Iran continue to create supply concerns. WTI added around +0.8% to settle at USD \$66.43 per barrel, while Brent crude gained +0.5% to USD \$72.21 per barrel.

PRECIOUS

Bullion saw continued strength on Tuesday, closing in on the important psychological USD \$1,200 level as the dollar traded offered. The overnight comments from President Trump underpinned price action to see the metal extend through USD \$1,190 in early Asian trade, while continued demand out of China saw the on-shore premium move toward USD \$6. It was a generally orderly ascent for gold, consolidating above USD \$1,190 in early session flows, before moving through USD \$1,195 during afternoon pricing. The metal now sits just underneath the key psychological USD \$1,200 level and will no doubt test the extended short positioning should it take the figure. Silver was able to move through and hold above USD \$14.80 during Asian trade today, while platinum reclaimed the key USD \$800 level.
EU ECB Interest Rate Decision

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