



MKS PAMP GROUP
Asia Market Update
28th August 2018

Range Asian Hours
(from Globex open)

	GOLD	SILVER	PLATINUM	PALLADIUM
OPEN	1211.20/40	14.88/90	804/06	950/52
HIGH	1212.40/60	14.96/98	807/09	951/53
LOW	1208.20/40	14.84/86	803/05	948/50
LAST	1212.20/40	14.94/96	807/09	951/53

MARKETS/MACRO

In trade news, President Trump announced that the U.S. and Mexico had agreed on terms that would make for an ‘incredible’ deal that was “much more fair”. The negotiations between the two parties have been part of revisions to the North American Free Trade Agreement, which has so far excluded Canada. Preliminary details released show the two have agreed that 75% of a product must be made in the two countries to receive tax-free treatment and while the pact would hold for 16 years, there would be a review every six years.

The Chicago Fed Nat activity index slowed during July, printing 0.13 (exp: 0.45) from 0.48 in June. The print saw the three-week moving average edge down to 0.05 from 0.20 previously, as 49 of 85 economic indicators made negative contributions. Production related indicators were the main drag, adding just 0.05 from 0.45 in June. Equity markets in the U.S. continued to run higher on Monday, buoyed by the positive NAFTA trade news between the U.S. and Mexico. The DJIA added +1.01% to 26,049.65 points, to reclaim the psychological 26,000 point mark for the first time since February. The S&P 500 saw strength across materials (+1.43%) and financials (+1.34%) to add +0.77% and print a fresh record close of 2,896.74 points, while the Nasdaq Composite traded strongly to break through 8,000, ending +0.91% higher to 8,017.895 points, also booking a fresh record close. The greenback once again struggled against majors, heavily offered in New York to see the DXY end -0.38% lower. The buck booked notable declines against the euro (EUR/USD +0.49%), while slipping against the yen (USD/JPY -0.24%).

PRECIOUS

Another robust session for gold during Asian hours today, able to consolidate recent gains through USD \$1,200 and break through Monday’s New York high. Price action was again generally dollar driven, with the yellow metal withstanding early Chinese weakness as the Shanghai premium dipped toward USD \$4 and USD/CNH added +0.3% in early trade. Afternoon interest saw the metal buoyant around USD \$1,208, piggybacking dollar weakness to test the New York high print. Bullion will need to break through the USD \$1,215 - \$1,220 resistant level to test the recent build up in short positioning, with a squeeze likely to target resistance around USD \$1,240. Silver continues to see support around USD \$14.80 and extended gains toward USD \$15 during Asian trade today, while platinum has attracted interest on the move through USD \$800 and palladium continues to consolidate around USD \$950. Data today includes U.S. wholesale inventories, the Richmond Fed manufacturing index and the conference board U.S. consumer confidence print.



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