



MKS PAMP GROUP
Asia Market Update
4th September 2018

Range Asian Hours
(from Globex open)

	GOLD	SILVER	PLATINUM	PALLADIUM
OPEN	1200.40/60	14.50/52	789/91	981/83
HIGH	1201.60/80	14.51/53	790/92	981/83
LOW	1198.90/10	14.42/44	785/87	978/80
LAST	1200.00/20	14.42/44	785/87	978/80

MARKETS/MACRO

Muted markets on Monday as the U.S. took a break for the Labor Day holiday. Equities across Europe ended modestly mixed with trade concerns still in the forefront of investors minds. The Stoxx Europe 600 inched +0.07% higher to 382.51 points as the euro held around 1.16, while the German Dax slipped -0.14% to 12,346.41 points and the French CAC added +0.13% to 5,413.80 points. Comments from the EU's top Brexit negotiator, Michel Barnier regarding U.K. Prime Minister Theresa May's proposals saw the pound under pressure on Monday, sliding -0.38% to close underneath 1.29. The weakness however supported the local stock market, helping the FTSE 100 to a +0.97% return on the session. Oil futures pushed higher on Monday on concerns over Iranian output. WTI added +0.23% to end around USD \$70.10 per barrel, while Brent Crude tacked on +0.27% to USD \$78 per barrel.

PRECIOUS

Quiet trade for bullion on Monday with New York closed, seeing the metal oscillate within a tight range either side of USD \$1,200. Dollar flows were relatively sedate and provided little in the way of direction for the metal, while a lack of 'trade-war' headlines further weighed upon volatility and enthusiasm in general for the precious complex. Early Asian offers saw gold underneath USD \$1,200, however physical demand out of China soon had the metal reversing these declines as the on-shore premium held toward USD \$7. Bullion continued to see interest during European hours to generally hold above USD \$1,200 and end the session above the figure to book a modest gain.

Tuesday's Asian session once again saw early session offers take the metal underneath USD \$1,200 only to see interest out of Shanghai reverse this weakness. A move lower to USD/China initially underpinned the recovery, however the bid tone soon ran out of steam as the greenback gained traction to move through the previous session high. Further dollar strength late in afternoon trade saw the metal extend further to the down-side, with USD/China breaking higher to weigh upon price action. Support initially sits around USD \$1,195, while a break through this level may see USD \$1,180 - \$1,185 tested. Silver hasn't been able to hold the key USD \$14.50 pivot point in recent sessions and could open up a test toward USD \$14 should support at USD \$14.40 not hold. Palladium continues to outperform the remainder of the precious and is the only metal that is net long, while shorts in the remainder sit toward or at all-time highs. With forwards in heavy backwardation the metal is likely to continue to see interest underpin the metal. Data today includes Markit U.S. manufacturing PMI, U.S. construction spending, ISM U.S. manufacturing and ISM U.S. prices paid



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