



## MKS PAMP GROUP

### Asia Market Update

9<sup>th</sup> August 2018

Range Asian Hours  
(from Globex open)

	GOLD	SILVER	PLATINUM	PALLADIUM
<b>OPEN</b>	1213.40/80	15.41/44	829/32	903/05
<b>HIGH</b>	1216.10/50	15.46/49	835/38	906/08
<b>LOW</b>	1211.00/40	15.34/37	823/26	894/96
<b>LAST</b>	1212.10/50	15.38/41	826/29	894/96

#### MARKETS/MACRO

The Chinese Ministry of Commerce announced additional 25% tariffs on US\$16 billion worth of US imports to be activated on August 23rd, the same day that the US will impose 25% additional tariffs on US\$16 billion worth of Chinese goods. The goods being targeted include fuels, steel products, automobiles, and medical equipment. US equities were mostly lower on the news, the Dow lost 45.16 points, or 0.418%, to 25,583.75, the S&P 500 slipped 0.75 points, or 0.03%, to 2,857.70, while the Nasdaq gained 4.67 points, or 0.06%, to 7,888.330. There were wins for tech (+0.28%) and financials (+0.26%) while consumer staples (-0.77%) and energy (-0.76%) weighed on the markets. European equities were mostly lower, the EuroSTOXX fell 0.80 points, or 0.20%, to 389.69, the German DAX shed 14.65 points, or 0.12%, to 12,633.54, and the London FTSE 100 rose 58.17, or 0.75%, to 7,776.65. Currency majors endured a volatile day, the US dollar index dipped below 95 before surging up to reach 95.406 in early NY hours, followed by a sharp fall back to 95.09. The EUR hit 1.1626 early before being sold sharply to 1.1574 then recovering to 1.1615, while USD/JPY traded down to 110.83. US treasury yields were lower, the 2 year yield remained unchanged at 2.6697% while the 10 year yield eased 0.01 bps to 2.9618%. Oil prices were sharply lower as the US-China trade dispute escalated, Brent sold off 3.32% to \$72.17 while WTI tumbled 3.50% to \$66.75. There was no significant economic data released overnight. In Asia today, as I write the Nikkei is at -0.20%, the Shanghai composite is at +1.82%, the Hang Seng is at +0.86%, and the ASX S&P 200 is at +0.50%. On the data front tonight, we have producer price index, wholesale inventories, and weekly jobless claims out of the US.

#### PRECIOUS

Gold opened at \$1211 and made a slow grind higher during Asian hours. The SGE premium was around \$3-4 and we saw decent interest from the Chinese banks, the Asian high of \$1214 was printed in the late afternoon. London bought the metal to the session high \$1215 as USD/JPY traded below 111, but quickly turned sellers as both GBP and the EUR were sold heavily against the greenback. Gold reached \$1209 just before NY came in and posted the day's low of \$1206 just after the bell. The yellow metal made a sweep higher to \$1212 before dropping back to \$1208 in volatile morning trading. A \$4 jump in the afternoon saw the market at \$1213, which would turn out to be the closing level. Silver reached \$15.45 before a sell off to the day's low \$15.27, the grey metal managed to pare the losses in NY trading and finish higher at \$15.38. Palladium traded below \$900 for the first time in 2 weeks, while platinum remained all but unchanged. In Asia today, gold remained in the \$1212-15.5 range through most of the day with the SGE premium easing slightly to \$2-3. The yellow metal reached a high of \$1216.10 in late



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afternoon before being sold off on broad strength in the USD. Gold reached a low of \$1211.00 and is sitting at \$1212.10 as I write. Silver traded above yesterday's high earlier in the day but has not been immune to the late sell off, the grey metal is at \$15.38 as I write. Palladium is testing Wednesday's low at \$894. Have a good day ahead.

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