



	GOLD	SILVER	PLATINUM	PALLADIUM
OPEN	1290.10/30	17.09/11	984/86	894/96
HIGH	1290.10/30	17.22/24	984/86	896/98
LOW	1285.00/20	17.02/04	973/75	893/95
LAST LEVEL	1285.80/00	17.05/07	973/75	894/96

Range Asian Hours (from Globex open)

MACRO: Consumer prices in the U.S. increased +0.1% MoM during July (exp: +0.2%) to follow a flat read previously. Core CPI, which excludes the volatile food and energy categories also increased +0.1% MoM (exp: +0.2%) from +0.1% previously. On an annualised basis prices ticked higher to +1.7% YoY (exp: +1.8%) from +1.6% previously, while core prices held at +1.7% YoY to print in-line with expectations. A major drag on the headline figure was the lodging cost index, sliding -4.2% in July to mark the biggest one month fall since records began in 1997. Further downwards pressure came from new vehicle prices, declining -0.5% to mark the largest decline since August 2009, while the index of used car prices dipped -0.5% for the seventh consecutive monthly fall. On the positive side for prices, gasoline held unchanged after falling -2.8% during June, food prices increased +0.2% and the price of apparel pushed +0.3% higher following four straight months of declines. Equity markets in the U.S. ended trade on Friday modestly higher following Thursday's sharp declines, with investors weighing up geopolitical concerns against U.S. consumer price data. The DJIA tacked on a modest +0.07% to end the session at 21,858.32 points, however on a weekly basis the bourse sunk -1.1% to book the largest one-week decline in around 9 months. Strength across technology (+0.75%) and healthcare (+0.30%) offset weakness to energy (-0.69%), seeing the S&P 500 +0.13% higher at the close, however unable to stop a -1.4% weekly decline, the worst since March. The Nasdaq meanwhile outperformed to end +0.64% higher on Friday, however also booked a weekly decline, falling -1.5% over the period. Oil futures saw mixed trade on Friday, recovering from weakness in Asia to end modestly higher on the session following a report from Baker Hughes showing only a modest increase in active oil rigs. WTI added around +0.5% on the session to see the weekly decline at -1.5%, while Brent crude ticked above USD \$52 per barrel for a +0.7% return, however closed the week down around -0.6%. European markets ended generally lower on Friday as investors headed for the exits following a further escalation in tensions between the U.S. and North Korea. The Stoxx Europe 600 was hammered -1.04% to 372.14, booking its weakest close since late February and taking the weekly result to -2.7%. In Germany the Dax held up remarkably well to end flat for the session as CPI data out of Europe's engine room printed in-line with expectations at +0.4% MoM and



+1.5% YoY (harmonized). In the U.K. the FTSE 100 also suffered from the global jitters, falling -1.08% on the session to book a -2.7% fall over the week, the worst performance in nearly 4 months.

PRECIOUS: The precious complex endured whippy price action around the U.S. CPI release on Friday, however ultimately ended higher as geopolitical concerns weighed heavily upon the broader market. Gold held support toward USD \$1,280 into the U.S. data release, with participants unwilling to instigate fresh positioning ahead of the print. The softer than expected data underpinned further gains to bullion, trading up to a session high of USD \$1,292.20, before easing marginally into the close. The latest COTR showed a large increase in positioning, notably added in the second half of the week following the increase in geopolitical tensions as shorts backed off noticeably. Asia kicked off the week with an offered bias, as bullion pulled away from USD \$1,290 during early trade before Chinese interest supported the metal above USD \$1,285. The on-shore premium in Shanghai continues to trade heavily around USD \$5 and acted to restrict declines today, rather than supporting a push higher. Gold once again extended weakness once the far East took lunch, trading nervously around the USD \$1,285 support as bids thinned into European hours amid a leg higher to the USD. Gold is zoning in on a number of important technical and psychological levels, notably the recent double top around USD \$1,296 and then the all-important USD \$1,300 level above this. In recent times geopolitical posturing has resulted in only short term strength across precious and should gold fail to break through the aforementioned levels we may see this eventuate once more for a retracement as far as USD \$1,250. After withstanding a break below USD \$17 on Friday, silver tested the recent high print during Asian hours on Monday, before running into offers above USD \$17.20. The grey metal continues to use USD \$17 as a pivot point and will need to close above this level to target a break through USD \$17.25. With regards to the white metals, the latest COTR data shows a large reduction in platinum short positioning that may free up the metal to extend toward USD \$1,000, while palladium once again was unable to consolidate above USD \$900 on Friday after a soft U.S. session. Data today includes Eurozone industrial production.