



MKS PAMP GROUP

Daily Asia Wrap

10th August 2018

Range Asian Hours
(from Globex open)

	GOLD	SILVER	PLATINUM	PALLADIUM
OPEN	1212.20/60	15.42/45	828/31	904/06
HIGH	1213.10/50	15.43/46	833/36	908/10
LOW	1206.30/70	15.30/33	823/26	898/00
LAST	1207.30/80	15.31/34	828/31	901/904

MARKETS/MACRO

US equities finished mostly lower after a late sell off. The Dow lost 74.52 points, or 0.29%, to 25,509.23, the S&P 500 slipped 4.12 points, or 0.14%, to 2,857.70, while the Nasdaq crept up 3.45 points, or 0.04%, to 7,891.78. There were wins for telecoms (+0.98%) and materials (+0.50%), while energy (-0.89%) and industrials (-0.57%) led the laggards. European equities were mostly higher, the EuroSTOXX rose 0.36 points, or 0.09%, to 390.05, the German DAX gained 42.57 points, or 0.34%, to 12,676.11, and the London FTSE 100 fell 34.88, or 0.45%, to 7,741.77. In the currencies, the US dollar index climbed 0.54% to 95.60, the EUR traded down to 1.1526, while USD/JPY got as high as 111.16. US treasury yields were lower, the 2 year yield shed 2.3 bps to 2.6452% while the 10 year yield eased 3.4 bps to 2.9258%. Oil prices continued to fall, Brent lost 0.40% to \$71.99 while WTI sold off 0.36% to \$66.70. Base metals were mixed, with aluminium (-1.33%) the biggest mover. In US economic data, the Labor Department reported that the producer price index came in flat for July after a 0.3% increase in June. The figure was a little soft compared to economists forecast of a 0.2% gain. Core PPI, which excludes food, energy, and trade margins, grew by 0.3%. Weekly jobless claims fell 6k to 213k in the week ending August 4, continuing claims rose by 29k to 1.76 million. In Asia today, as I write the Nikkei is at -1.35%, the Shanghai composite is at -0.30%, the Hang Seng is at -0.89%, and the ASX S&P 200 is at -0.30%. On the data front tonight, we have CPI and Federal Budget numbers out of the US.

PRECIOUS

Gold opened at \$1213 in Asia remained stuck between \$1212-16 for most of the day. The SGE premium eased slightly to \$2-3 but we did see subdued buying action in Asia as USD/JPY eased. The market touched \$1216 in late Asian hours but was rejected, London were happy to sell into this weakness and gold printed the session low \$1210 in the AM session. There was a rebound back to the opening level before a pop up to the day's high \$1216.70 just after the NY open. It was all downhill from here as broad US dollar strength so the yellow metal sold into a close at \$1212. Silver dipped to \$15.33, traded up to \$15.50, and finished flat. PGMs were largely unchanged. The Philadelphia gold and silver index rose 0.09%. The SPDR Gold Trust holdings were unchanged at 786.08 metric tonnes. In Asia today, gold opened at \$1212.20 and was dead for most of the today with the SGE premium around \$2-2.50. In the late afternoon, heavy losses for the Turkish lira and Russian ruble have reverberated through the currency markets, with the EUR plunging to a 12 month low against the USD. Gold was sent tumbling to a low of \$1206.30 and sits at \$1207.60 as I write. Silver was sold to \$15.30 and is currently trading only slightly above at \$15.31. PGMs have been relatively immune to the sell off, trading only marginally lower. Have a good day ahead.



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