



## MKS PAMP GROUP

### Daily Asia Wrap

24<sup>th</sup> July 2018

Range Asian Hours  
(from Globex open)

	<b>GOLD</b>	<b>SILVER</b>	<b>PLATINUM</b>	<b>PALLADIUM</b>
<b>OPEN</b>	1224.20/40	15.37/39	830/32	912/14
<b>HIGH</b>	1224.90/10	15.42/44	833/35	913/15
<b>LOW</b>	1218.30/50	15.33/35	828/30	909/11
<b>LAST</b>	1219.30/50	15.42/44	833/35	913/15

#### MARKETS/MACRO

Overnight news out of the White House has seen President Donald Trump lash out at Iranian President Hassan Rouhani in an all-caps tweet. The tweet in which President Trump warns Rouhani to “NEVER, EVER THREATEN THE UNITED STATES AGAIN OR YOU WILL SUFFER CONSEQUENCES THE LIKES OF WHICH FEW THROUGHOUT HISTORY HAVE EVER SUFFERED BEFORE.” was in response to comments made by Rouhani in Tehran regarding alleged hostile policy by the U.S. toward Iran.

Existing home sales in the U.S. booked a third consecutive monthly decline during June, sliding -0.6% MoM (exp: +0.2%) to a seasonally adjusted annual pace of 5.38 million. The number of homes on the market has increased only +0.5% YoY to 1.95 million, while median sales prices in June were +5.2% YoY higher at USD \$276,900. During June, sales declined in the West and South but were higher in the Midwest and Northeast. The Chicago Fed National activity index rebounded during June, printing +0.43 (exp: +0.25) from a downwardly revised -0.45 in May (prev: -0.15). Production related indicators contributed +0.36 points to the index to underpin the headline figure. Equity markets in the U.S. ended mixed on Monday, largely supported by financial and tech names. The DJIA eased -0.06% to 25,044.09 points as a -1.54% decline to 3M Co. weighed upon the bourse. The S&P 500 added +0.18% to 2,806.98 points, however only financials (+1.32%), technology (+0.52%) and healthcare (+0.24%) were able to end in positive territory, while the Nasdaq Composite outperformed to post a +0.28% gain to 7,841.87 points. The greenback started the week on a positive note as participants put to one side President Trump’s comments regarding the dollar made late last week. The DXY index added +0.2% to push back above 111.00 against the yen, while also strengthening further against the yuan. Treasury yields spiked on Monday to see both the 10 and 30-year yields at the highest level in 6-weeks, while the two-year gained 3.4bps to 2.633%, the highest level since July 2008.



## **PRECIOUS**

Gold continued to trade heavily during Asian trade on Tuesday as dollar headwinds pressured the metal lower. Early offers out of Japan saw the metal test the New York low around USD \$1,222, with mildly supportive bids restricting further declines. Once again USD/China turned sharply bid on the Shanghai open to trigger a stop loss run toward USD \$1,220, however the dollar tempered somewhat following the initial move to provide a period of respite. Afternoon flows saw a brief move underneath USD \$1,220, however once again supportive price action restricted further declines and the metal soon pared losses into London hours. With gold positioning still quite light we should continue to see supportive price action underneath USD \$1,220, with extension through to USD \$1,210 - \$1,200 should the dollar strength continue. Notably ETF's recorded inflows on Monday of 175k ounces, potentially removing some of the down-side bias we have seen in recent months. Top-side targets initially sit toward USD \$1,230, while the key pivot point is USD \$1,240. Silver failed to recapture the USD \$15.50 pivot point after losing touch with the figure on Monday, while the white metals have remained robust, thus far trading relatively immune to the dollar strength. Data releases today include Markit services / composite / manufacturing PMI prints from France, Germany, the Eurozone and the U.S.

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