



MKS PAMP GROUP

Daily Asia Wrap

29th May 2018

Range Asian Hours
(from Globex open)

| | GOLD | SILVER | PLATINUM | PALLADIUM |
|-------------|------------|----------|----------|-----------|
| OPEN | 1297.30/70 | 16.45/48 | 902/05 | 984/86 |
| HIGH | 1300.30/70 | 16.49/52 | 906/09 | 986/88 |
| LOW | 1296.40/80 | 16.35/38 | 899/02 | 975/77 |
| LAST | 1297.30/70 | 16.35/38 | 904/07 | 979/81 |

MARKETS/MACRO

Quiet night in the markets with NY and London out for holidays. Heavy losses in Italian stocks weighed on the European markets as the probability of an early election increased after the populist Five Star and League parties failed to form government. The EuroSTOXX lost 1.26 points, or 0.32%, to 389.82, the German DAX dropped 74.55 points, or 0.58%, to 12,863.46. The EUR was hammered amid the turmoil in Italy as government bonds were sharply sold, falling to a 6.5 month low of 1.1608. USD/JPY traded down to 109.26. Oil prices continued to slide on fears several major producers will reverse production cuts that have been in place for over a year. Brent fell 1.49% to \$75.30 while WTI gave up 2.08% to \$66.47. The LME was closed for the holiday but MAY 18 CX copper slipped 0.33% to \$3.057/lb. In Asia today, as I write the Nikkei is at -0.55%, the Shanghai composite is at -0.47%, the Hang Seng is at -0.87%, and the ASX S&P 200 is at +0.16%. Tonight we have loan growth and M3 money supply data out of the Eurozone.

PRECIOUS

Muted trading in the precious complex on Monday with the US and London holidays. Gold gapped lower \$1 on the Asian open to \$1299 and traded around \$1297-99 for most of the day. The SGE premium was at \$7 over loco London. Gold printed the session low \$1295 in the PM session as the EUR, which climbed through 1.17 earlier in the day, reached its peak. The sell-off in EUR began on the news out of Italy and gold made a grind higher. The yellow metal tested the all important \$1300 level as NY came in for their shortened session, and closed a little lower at \$1297 in light trade. Trade in silver was very quiet, the grey metal remained within a tight 5c range throughout the session. Very light trading in PGMs also. The Philadelphia gold and silver index lost 1.07%. In Asia today, gold was once again testing \$1300 as the US dollar was sold against the yen. The SGE premium eased to \$4-5 prompting some selling action out of China. Silver is under pressure late in the day, the grey metal is sitting around the lows at \$16.35. Palladium experiencing a late sell-off also, currently right at the low of \$977. There appears to be buyers for gold at \$1295, and we should see further support at the recent low of \$1281. On the upside, a consolidation above the key \$1300 level will be the first step in any move higher. Have a good day ahead.

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