



MKS PAMP GROUP

Daily Asia Wrap

31st August 2018

Range Asian Hours
(from Globex open)

	GOLD	SILVER	PLATINUM	PALLADIUM
OPEN	1200.20/40	14.57/59	790/92	970/72
HIGH	1205.40/60	14.61/63	796/98	980/82
LOW	1198.40/60	14.53/55	790/92	970/72
LAST	1204.50/60	14.61/63	795/97	980/82

MARKETS/MACRO

U.S. personal income increased +0.3% MoM during July (exp: +0.4%), while personal spending matched estimates at +0.4% MoM. Core PCE inched up to +0.2% MoM from +0.1% previously, to see the annualized rate to +2.0% YoY. Initial jobless claims in the U.S. increased 3,000 to 213,000 during the week ended August 25 (exp: 212,000). The print saw the four-week moving average ease 1,500 to 212,250, while continuing claims declined 20,000 to 1.708 million during the week ended August 18. Equities in the U.S. snapped a four-day winning streak on Thursday, weighed down by a report that President Trump is likely to go ahead with planned tariffs on \$200 billion of Chinese goods. The DJIA slipped -0.53% to 25,986.92 points, while weakness across materials (-1.25%) weighed upon the S&P 500 to have the bourse -0.44% lower to 2,901.13 points. The greenback saw mixed trade on Thursday, however ultimately ended higher after clawing back recent declines against the euro and the yen. European stocks tracked lower on Thursday, largely weighed down by concerns over the upcoming Italian budget. The Stoxx Europe 600 softened -0.32% to 385.36 points, while the German Dax declined -0.54% to 12,494.24 points and the French CAC shed -0.42% to 5,478.06 points. In the U.K. the FTSE 100 sank -0.62% on the back of further sterling strength.

PRECIOUS

A relatively buoyant session for bullion during Asian hours on Friday, reclaiming the USD \$1,200 handle following the New York weakness on Thursday. Interest was largely reserved for Chinese trade, with weakness to USD/China during early Shanghai hours underpinning a bid tone for the metal to see the Shanghai premium hold toward USD \$6. Comments from the ECB's Edwold Nowotny hit the wires in the afternoon, assuring markets that Italian concerns are unlikely to delay the central bank's plans to hike interest rates. The news saw the euro add around +0.22% to underpin a move through USD \$1,205 for bullion, however the metal still remains at the mercy of dollar flows and continues to struggle to make headway above the psychological USD \$1,200 figure. Silver was able to hold the USD \$14.50 support during early Asian trade before benefitting from the afternoon dollar weakness, while platinum remains heavy toward USD \$800 and palladium continues to benefit from a physical deficit although is subject to whippy trade.



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