



MKS PAMP GROUP

Daily Asia Wrap

26th July 2018

Range Asian Hours
(from Globex open)

	GOLD	SILVER	PLATINUM	PALLADIUM
OPEN	1231.20/40	15.59/61	841/43	939/41
HIGH	1235.10/30	15.64/66	844/46	940/42
LOW	1229.10/30	15.54/56	838/40	933/35
LAST	1230.10/30	15.55/57	838/40	936/38

MARKETS/MACRO

The U.S. and the European Union have agreed to work toward lowering trade barriers following a meeting on Wednesday between U.S. President Donald Trump and European Commission chief Jean-Claude Juncker. During a news conference following the meeting, President Trump said that both sides would “work together toward zero tariffs, zero non-tariff barriers, zero subsidies and non-auto industrial goods.” The positive meeting helped to alleviate concerns of an all-out trade war and gave markets in the U.S. a boost. The DJIA jumped +0.68% to 25,414.10 points, while gains to all but telecommunications (-2.88%) saw the S&P 500 surge +0.91% to 2,846.07 points, officially moving out of correction territory. The Nasdaq Composite was the standout, ripping +1.17% higher to a fresh record close at 7,932.24 points. New home sales in the U.S. slumped -5.3% MoM during June (exp: -3.1%) to follow a downwardly revised +3.9% increase in May (prev: +6.7%). Sales in the South declined -7.7%, in the West fell -5.2%, in the Midwest slumped -13.4%, however in the Northeast surged 36.8% to a more than 10-year high. The greenback was sold-off on Wednesday as majors recovered recent declines, notably the euro saw strength following the positive trade discussions between President Trump and European Commission chief Jean-Claude Juncker. The DXY index declined -0.4% after seeing late session weakness, while the euro reclaimed the 1.17 handle and USD/JPY tested underneath 111.00. European equities saw weakness on Wednesday following uncertainty leading into the trade meeting between President Trump and European Commission chief Jean-Claude Juncker. The Stoxx Europe 600 pulled back -0.26% to 387.17 points, the German Dax sunk -0.87% to 12,579.33 points, while in the U.K. the FTSE 100 retreated -0.66% to 7,658.26 points.



PRECIOUS

Mixed trade for gold during Asian trade on Thursday, again at the mercy of USD/China flows as an early session bid tone was reversed in Shanghai. The yellow metal opened on a positive note after seeing support from a weaker dollar, with USD/CNH trading heavily into the Chinese open to briefly test underneath 6.74 (opening levels toward 6.77). A modest stop loss run through the New York high as USD/CNY opened softer saw gold extend to USD \$1,235.10, however a lack of follow through interest combined with a reversal to the initial USD/China weakness capped further gains. No surprises that the metal ran into resistance around USD \$1,235 after Monday's failed attempt through the figure and this now sits as a key resistance level on the way to the USD \$1,240 pivot point. Silver failed to breach the key resistance level around USD \$15.70, however thus far has importantly held the USD \$15.50 pivot point, while the white metals are benefitting from the recent strength across base metals, with notably palladium ripping +2.7% higher on Wednesday and consolidating gains in Asia today. All eyes today on the ECB meeting and accompanying comments from President Draghi, while in the U.S. we see durable goods, wholesale inventories, initial jobless claims and Bloomberg consumer comfort.

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