



## MKS PAMP GROUP

### Daily Asia Wrap

5<sup>th</sup> July 2018

Range Asian Hours  
(from Globex open)

	GOLD	SILVER	PLATINUM	PALLADIUM
<b>OPEN</b>	1255.80/00	16.06/08	841/43	948/50
<b>HIGH</b>	1257.90/10	16.09/11	843/45	952/54
<b>LOW</b>	1253.50/70	16.02/04	839/41	948/50
<b>LAST</b>	1254.70/90	16.04/06	842/44	952/54

#### MARKETS/MACRO

A relatively quiet session on Wednesday with the U.S. out for Independence Day. Mortgage applications in the U.S. eased -0.5% MoM during the week ended June 29, while applications were off -13.5% compared to the same week a year ago. Equities in the U.S. were closed, however futures eased in-line with weakness across European markets as global trade concerns continued to weigh upon risk appetite. The Stoxx Europe 600 inched +0.06% higher, while the German Dax declined -0.26% as ongoing political disputes continue to create uncertainty around the coalition government. In the U.K. the FTSE 100 fell -0.27% on the back of a stronger pound and concerns over global trade. Some European Central Bank policy makers are concerned that investors aren't pricing an interest rate hike until December 2019, while people familiar with the matter have suggested a move in September or October is on the cards. The news gave the euro a boost, paring earlier session declines to finish relatively flat. The greenback booked a modest -0.02% decline on the session after opening softer in Asia, sliding against the yen and the pound.

#### PRECIOUS

A positive session for gold on Wednesday, buoyed by dollar declines amid further weakness to USD/China to consolidate Tuesday's gains above USD \$1,250. Heavy selling to USD/CNH saw the pair off -0.4% on the session to underpin bullion price action, extending gold through USD \$1,260 in early Shanghai hours. Mild offers through USD \$1,260 restricted any further top-side gains in Asia, however the yellow metal remained firm throughout the session to once again break above USD \$1,260 in early London hours. Activity was relatively muted throughout the European afternoon and with an early close on Comex due to Independence Day in the U.S. gold held USD \$1,255 to end around +0.3% higher.

Gold saw mixed price action during Asian trade on Thursday, however ultimately ended marginally lower after running into dollar headwinds. The yellow metal saw an early session bid tone reversed as USD/China recovered from opening declines, dragging bullion off the session high print of USD \$1,258.10 to test underneath USD \$1,255 during the Chinese lunch break. Afternoon Asian trade saw price action underpinned by a leg higher to the euro following stronger than expected German factory orders,



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supporting bullion back toward USD \$1,255. Gold continues to see resistance above USD \$1,260 and from a technical perspective will be looking for a close above this figure for a sign of further strength. With pricing still largely determined by dollar flows, participants will be focusing on today's FOMC minutes release in addition to private payrolls data leading into Friday's nonfarm payrolls figure. Data today includes U.S. ADP employment, Initial jobless claims, Bloomberg U.S. consumer confidence, Markit U.S. services / composite PMI prints, ISM non-manufacturing composite PMI and the June FOMC meeting minutes.

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