



MKS PAMP GROUP

Daily Asia Wrap

9th July 2018

Range Asian Hours
(from Globex open)

	GOLD	SILVER	PLATINUM	PALLADIUM
OPEN	1254.90/10	16.04/06	844/46	953/55
HIGH	1261.90/10	16.15/17	856/58	958/60
LOW	1254.90/10	16.04/06	844/46	953/55
LAST	1260.00/20	16.13/15	855/57	958/60

MARKETS/MACRO

Relations between the U.S. and North Korea look to have taken a hit over the weekend, with North Korean officials labelling U.S. Secretary of State Mike Pompeo's negotiation tactics as 'gangster-like' following two days of talks in Pyongyang. Pompeo said in Tokyo on Sunday after meeting with Japanese and South Korean counterparts that although there is still a lot of work to do, he is confident North Korea would stick to its commitment to abandon their nuclear program.

June jobs data out of the U.S. showed the economy continued to strengthen, adding a further 213k payrolls (exp: 195k) to follow an upwardly revised 244k in May (prev: 223k), while April also saw an upwards revision to 175k (prev: 159k). The unemployment rate meanwhile inched up to 4.0% (exp: 3.8%) from 3.8% previously as the participation rate increased to 62.9% (exp: 62.7%) from 62.7% previously. The broader 'U-6' measure of unemployment and underemployment, which includes those who have stopped looking and those in part-time jobs who want full-time positions increased to 7.8% from 7.6% previously. Average hourly earnings added +0.2% MoM (exp: +0.3%) to hold at +2.7% YoY, while average hours worked per week held at 34.5. Equities in the U.S. booked solid gains on Friday following the robust jobs figures, with participants casting aside global trade concerns for now. The DJIA ended the session +0.41% higher at 24,456.48 points, seeing the bourse +0.8% higher for the week. The S&P 500 rallied +0.85% to 2,759.82 points as all 11 components finished in positive territory, helping the bourse to a +1.5% weekly gain. The Ndaq outpaced to end the session +1.34% higher at 7,688.39 points, a +2.4% return on the week. The greenback tracked lower on Friday as participants considered the jobs data in conjunction with the recent FOMC minutes release and continued global trade concerns. The DXY index ended the session off -0.45%, notably declining against the euro (EUR/USD +0.4%) and the yen (USD/JPY -0.2%).

PRECIOUS

An attempted outside session by bullion on Monday, as the greenback continued its recent decline and participants considered the weekend North Korean news. Gold found footing around USD \$1,255 in early session flows, edging modestly higher leading into the Chinese open, however further gains were somewhat stifled by a softer pound following the resignation of Brexit Secretary David Davis and deputy



MKS PAMP
GROUP

Steve Baker. A further extension to the recent USD/China weakness in Shanghai underpinned a test toward the resistance level of USD \$1,260, even as the SGE premium continued to hold around USD \$3 - \$4 relative to London prices. The metal held underneath USD \$1,260 throughout the pre-lunch Chinese session as offers capped any further top-side moves, while the euro and the aud pushed higher to add further weight to the dollar decline. Afternoon flows saw gold extend through USD \$1,260, however gains were tempered by a firming greenback to see the metal oscillating either side of the key level into London hours. A sustained break of USD \$1,260 will bring in further interest and should open up a leg toward \$1,280, however if the metal is unable to capture the figure we will once again see bullion with the USD \$1,250 - \$1,260 range. Platinum was the major mover during Asian trade today, taking out the recent resistance level around USD \$847 to add +1.4% on the session.

Although the information in this report has been obtained from and is based upon sources MKS believes to be reliable, we do not guarantee its accuracy and it may be incomplete or condensed. All opinions and estimates constitute MKS' judgment as of the date of this report and are subject to change without notice. This report is for informational purposes only and is not intended as investment advice, offer or solicitation for the purchase or sale of an investment. This report does not consider or take into account the investment objectives or financial situation of a particular party.