



## MKS PAMP GROUP

### Daily Asia Wrap

12<sup>th</sup> June 2018

Range Asian Hours  
(from Globex open)

	<b>GOLD</b>	<b>SILVER</b>	<b>PLATINUM</b>	<b>PALLADIUM</b>
<b>OPEN</b>	1300.10/30	16.91/93	907/09	1023/25
<b>HIGH</b>	1300.40/60	16.91/93	910/12	1023/25
<b>LOW</b>	1296.40/60	16.85/87	906/08	1019/21
<b>LAST</b>	1297.40/60	16.85/87	909/11	1020/22

#### MARKETS/MACRO

In the absence of economic data releases, U.S. equities ended modestly higher on Monday as participants traded cautiously into Tuesday's meeting between President Donald Trump and North Korean leader Kim Jong Un. The DJIA saw weakness late in trade, however was able to hold onto a +0.02% gain to 25,322.31 points, marking the fourth consecutive session gain. The S&P 500 saw strength across consumer staples (+0.77%) lead eight of 11 components higher to book a +0.11% gain to 2,782.00 points, while the Nasdaq Composite tacked on a further +0.19% to 7,659.93 points. The greenback pushed modestly higher against majors on Monday, booking notable gains against the Japanese yen and the Canadian dollar. The DXY index added +0.1% to reclaim 110.00 against the yen, while the buck broke back above 1.30 against the Canadian dollar as the fall-out continues following the recent G7 summit. Treasury yields held a tight range on Monday, inching higher into the upcoming FOMC meeting. The 10-year added 2bps to 2.959% and the two-year gained 3bps to 2.52%. European markets pushed higher on Monday, with regional bourse's buoyed by a +3.42% gain to the Italian FTSE MIB index. The broad Stoxx Europe 600 jumped +0.73% to 387.94 points, while the German Dax added +0.60% to 12,842.91 points and the French CAC 40 rose +0.43% to 5,473.91 points. In the U.K. the FTSE 100 posted a +0.73% gain to mark the strongest session gain in two-weeks as the pound was sold.

#### PRECIOUS

Gold saw mixed price action on Monday, however ultimately ended higher and closed above the psychological USD \$1,300 level. A sharp stop loss run higher to silver buoyed the yellow metal above USD \$1,300 during early Asian trade, however resting offers restricted any further gains and gold gradually slipped back underneath the figure as the Chinese interest in silver ran out of steam. Late Asian trade saw the metal continue to trade heavily, while silver pared the majority of Asian gains in London to further weight upon price action. A move back above 1.18 to the euro underpinned a recovery into the U.S. session, taking gold through the Asian high print to USD \$1,302.55, before easing modestly into the close. Silver importantly recaptured the early Asian gains to end the session over +1% higher, while palladium saw strength to extend to a USD \$1,022 high for a +0.9% gain.



Pricing to bullion during Asian trade on Tuesday was dictated by dollar flows (DXY index opened notably higher), with gold pressured lower in early session trade as the euro ran through stops around 1.1775. The metal declined underneath USD \$1,300 within the first hour of the session and struggled to find the footing necessary for a move back through the figure. Shanghai traded at a premium around USD \$6 and we saw modest selling out of China to weigh upon price action, however a bounce to the euro following the early session weakness helped to provide supportive price action to restrict any further declines to the yellow metal. Dollar flows aside, we did see some risk pricing around Trump-Kim Jong Un headlines, notably seeing a small amount of risk premium wiped off the metal on very positive comments from President Trump regarding both the meeting and Kim Jong Un himself. President Trump and North Korean leader Kim Jong Un signed what they described as a "very important, historic and comprehensive" document, the details of which have yet to be made public, however further details are expected from President Trump at a press conference scheduled around 3:30pm Singapore time. Near-term gold pricing should remain rangebound into the major economic events this week, however we may see some volatility around the upcoming comments from President Trump. Data releases today include U.K. employment, German ZEW survey results and U.S. CPI.

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