



## MKS PAMP GROUP

### Daily Asia Wrap

5<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>	1292.00/20	16.41/43	900/02	996/98
<b>HIGH</b>	1292.40/60	16.43/45	901/03	996/98
<b>LOW</b>	1289.80/00	16.37/39	896/98	990/92
<b>LAST</b>	1292.40/60	16.40/42	897/99	992/94

#### MARKETS/MACRO

U.S. factory orders contracted during April, sliding -0.8% MoM (exp: -0.5%) to follow an upwardly revised +1.7% gain in March (prev: +1.6%). Durable goods orders in the U.S. sunk -1.6% MoM during April to follow two consecutive monthly increases. Transportation equipment fell -6.0% to drive the headline figure, with durable goods ex-transportation adding +0.9%. Core capital goods orders (non-defence ex-air) increased by +1.0%, while shipments or core capital goods improved +0.9%. Equities in the U.S. added to recent gains on Monday, buoyed by Friday's jobs report and a calming of political concerns in Europe. The Nasdaq Composite spiked +0.69% to 7,606.459 points, a fresh record closing level for the bourse. The DJIA jumped +0.72% to 24,813.69 points, while continued strong performances to technology stocks (+0.79%) amid soft trade among energy stocks (-0.92%) helped support the S&P 500 +0.45% higher to 2,746.87 points. The greenback softened overnight, however bounced late in the session to pair the majority of declines. The DXY index ended the session -0.17% down after trading as much as -0.55% lower late in Europe. The AUD was the stand-out yesterday, gaining +1.07% against the dollar. U.S. treasury yields edged marginally higher overnight on a cooling of global tensions. The two-year yield inched 3.8bps higher to 2.51% and the 10-year gained 4.4bps to 2.939%. Oil futures saw further weakness on Monday, as concerns over OPEC supply weighed upon benchmarks. WTI slipped -1.6% to a near 8-week (front-month) low of USD \$64.75, while Brent crude sunk -2% to USD \$75.29. European equities continued to benefit from a calmer political environment on Monday, as the majority of bourse's booked solid gains. The Stoxx Europe 600 ended +0.31% higher at 388.11 points, the German Dax tacked on +0.37% to 12,770.75 points and the Spanish IBEX 35 (+1.22%) out-performed following the change of power in Madrid.

#### PRECIOUS

Gold saw mixed price action on Monday, pushing toward USD \$1,300 during European hours before paring gains in New York. Asian trade was generally heavy on Monday, however interest toward USD \$1,290 restricted any test below Friday's New York low, with mild interest out of China helping to keep pricing buoyant. Sentiment picked up once Europe opened, supported by strength across currency majors against the dollar, in particular the euro (moving above 1.17) and the Australian dollar. A modest turn higher to the greenback and bid U.S. equities weighed upon the metal in New York, seeing bullion pull back from a USD \$1,298.15 session high and closing around USD \$1.50 lower on the session. Palladium saw lending interest in New York to slip back underneath USD \$1,000, sliding around -1.5%



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from early European pricing. Platinum held a narrow range and kept the USD \$900 support intact. Silver once again failed to capture USD \$16.50, succumbing to offers around the figure to close flat on the session.

Another muted session for gold during Asian trade on Tuesday, held within a narrow range with a modest skew lower. Early session offers saw bullion toward USD \$1,291, however mild interest out of China (premium holding around USD \$6) helped to restrict any further extension lower and saw the metal back above opening levels as USD/China traded toward the lower end of the previous session range. In a mirror image to Monday's price action, gold turned lower during the Chinese lunch break to briefly test underneath USD \$1,290, however once again resting interest provided an underlying level of support and the yellow metal was able to track higher into European hours. We should see broad support toward USD \$1,289 - \$1,291 (now looking more vulnerable), however it is currently difficult to see a catalyst for a retest of USD \$1,300 (strong rejection on Monday) and the recent top and 200 DMA at USD \$1,307.80. Both white metals tracked lower today, with palladium failing to recover from Monday's break underneath USD \$1,000, while platinum slipped below the recent USD \$900 support level. Data today includes Markit services / composite PMI prints from Italy, France, Germany, the Eurozone, the U.K. and the U.S. We also see Eurozone retail sales, ISM U.S. non-manufacturing composite PMI and the U.S. JOLTS report.

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