



## MKS PAMP GROUP

### Daily Asia Wrap

8<sup>th</sup> June 2018

Range Asian Hours  
(from Globex open)

	GOLD	SILVER	PLATINUM	PALLADIUM
<b>OPEN</b>	1296.60/80	16.71/73	900/02	1012/14
<b>HIGH</b>	1297.40/60	16.73/75	901/03	1014/16
<b>LOW</b>	1292.70/90	16.65/67	897/99	1011/13
<b>LAST</b>	1296.40/60	16.67/69	897/99	1012/14

#### MARKETS/MACRO

Initial jobless claims in the U.S. eased 1,000 to 222,000 during the week ended June 2 (exp: 220,000). The print saw the four-week moving average to 225,500 from 222,750 the week prior, while continuing claims increased by 21,000 to 1.741 million (exp: 1.735 million) the week ended May 26. Consumer credit in the U.S. increased less than expected during April, reflecting a slow-down in non-revolving credit. Credit increased by \$9.262 billion (exp: \$14.0 billion) to follow a \$12.278 billion increase the month prior and an average monthly increase of \$13.5 billion during the first three-months of the year. Equities in the U.S. ended mixed on Thursday as heavy trade to tech stocks knocked the wind out of the Nasdaq Composite's recent record run. The DJIA was able to hold onto a +0.38% gain to end at 25,241.41 points, however weakness across technology stocks (-1.09%) saw the S&P 500 -0.07% lower to 2,770.37 points, while the tech-laden Nasdaq Composite sunk -0.70% to 7,635.07 points. The greenback declined for a third consecutive session on Thursday as the euro continued to strengthen on expectations the ECB will outline plans to end their QE program next week. The DXY index pulled back -0.6% to the lowest level in around three-weeks. Treasury yields in the U.S. eased on Thursday to see the 10-year 5bps lower to 2.92% and the two-year off 3bps to 2.487%. European equities struggled against euro headwinds on Thursday, while a surprise decline to German factory orders hit sentiment. The Stoxx Europe 600 dipped -0.24% to 385.94 points, the German Dax declined -0.15%, while in the U.K. the FTSE 100 was sold down -0.10%. Oil futures posted gains on Thursday as market participants turned focus to potential supply losses out of Venezuela. WTI popped +1.25% to USD \$65.90 per barrel, while the global benchmark Brent crude surged +2.3% to USD \$77.35 per barrel.

#### PRECIOUS

Another session and another failed break above USD \$1,300 for gold, once again capturing the figure in early New York trade only to be sold down shortly after. A muted Asian session gave way to a modest bid tone in Europe, with price action underpinned by a stronger euro to test toward USD \$1,300. Heavy spec and producer selling reversed a early New York session break above the figure, as a session high of USD \$1,303.05 was met with abundant offers. Afternoon flows in New York failed to garner the support required for a fresh test above USD \$1,300 and the metal ended trade relatively flat on the session. ETF's once again reported outflows (140k ounces), a common occurrence recently when breaking above USD \$1,300. Silver booked a third straight session gain on Thursday, surging to a USD \$16.90 session



high on a stop loss run through the 200 DMA (USD \$16.77). Much like gold, the metal succumbed to late session weakness to pare the majority of gains into the close and end around +0.22% higher.

Asian trade on Friday was once again a relatively muted affair, albeit for a sharp sweep lower just minutes before the Chinese afternoon session that saw the session low of USD \$1,292.90 printed. Bullion spent the majority of the session held within a tight range around USD \$1,296 - \$1,297, however saw downwards pressure from a leg higher to the greenback in afternoon flows and remained under pressure into European trade. The metal still struggles to find a handle above USD \$1,300 and will need to consolidate above the figure to entice further interest into the market. That being said underlying interest broadly sitting toward USD \$1,290 - \$1,295 continues to provide an underling level of interest. Silver has found interest underneath USD \$16.70 and will target an extension through USD \$16.77 for a further leg higher, while platinum continues to struggle to break clear of USD \$900 and is facing top-side resistance around the 50 DMA at USD \$913. Data releases today include German industrial production and U.S. wholesale inventories.

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