



## MKS PAMP GROUP

### Daily Asia Wrap

28<sup>th</sup> May 2018

Range Asian Hours  
(from Globex open)

	<b>GOLD</b>	<b>SILVER</b>	<b>PLATINUM</b>	<b>PALLADIUM</b>
<b>OPEN</b>	1299.70/90	16.48/50	899/01	979/81
<b>HIGH</b>	1299.70/90	16.49/51	903/05	984/86
<b>LOW</b>	1296.20/40	16.45/47	899/01	979/81
<b>LAST</b>	1297.00/20	16.45/47	903/05	984/86

#### MARKETS/MACRO

It looks as though the U.S. – North Korea summit scheduled for June 12 is back on again following a meeting between Kim Jong-un and South Korean President Moon Jae-in on Saturday. The respective leaders met unannounced in the village of Panmunjom, in which according to President Moon, North Korean leader Kim Jong-un again made it clear his commitment to a complete denuclearisation of the Korean peninsula. President Trump responded to the news via twitter, announcing a United States team had arrived in North Korea to make arrangements for the upcoming summit. Durable goods orders in the U.S. declined -1.7% MoM during April (exp: -1.3%) to follow an upwardly revised +2.7% during March (prev: +2.6%). The main drag on the headline print was a -29% fall to civilian aircraft orders, while orders ex-transportation pushed +0.9% MoM higher over the period (exp: +0.5%). The closely watched proxy for business spending plans, core capital goods orders (non-defence excluding air) added +1.0% (exp: +0.7%) to reverse a -0.9% fall the month prior, while core capital goods shipments increased +0.8% MoM (exp: +0.4%). Equity markets in the U.S. ended mostly lower on Friday as weaker crude prices weighed upon energy stocks. The DJIA ended the session -0.24% lower at 24,753.09 points, however was able to cling onto a +0.2% gain on the week. The S&P 500 saw weakness across energy (-2.61%) to see the bourse -0.24% lower to 2,721.33 points, however was also able to end the week in positive territory, returning +0.3%. Declines to crude futures were one of the main talking points on Friday, weighed upon heavily by news that OPEC and Russia may raise production by as much as 1 million barrels per day to offset shortfalls from Iran and Venezuela. WTI settled around -4% lower at USD \$67.88 per barrel, while Brent crude fell -3% to USD \$76.44 per barrel. The greenback returned to strength on Friday following an easing of geopolitical tensions to see the DXY index end around +0.5% higher.



## **PRECIOUS**

A generally soft start to the week for bullion during Asian trade on Monday, seeing a modest risk-on tone weigh upon the metal following the developments on the Korean peninsula over the weekend. After a test of USD \$1,300 in New York on Friday, the yellow metal opened below the figure and continued to slide in thin early session flows. Interest toward USD \$1,296 kept the metal buoyant following the early declines to see price action back toward USD \$1,300, however the bid tone was short-lived once Shanghai opened, dragging the metal lower once again as China traded at a premium toward USD \$5. Afternoon trade saw a move back toward USD \$1,300 as the euro pushed back above 1.1700 relative to the greenback, however resting offers once again thwarted a move back above the figure. With the U.K. and the U.S. both on leave today we expect price action to remain within a relatively tight range, seeing support broadly toward USD \$1,290 - \$1,295, while resistance cuts in at USD \$1,300 and the 200 DMA at USD \$1,307.75.

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