



	<b>GOLD</b>	<b>SILVER</b>	<b>PLATINUM</b>	<b>PALLADIUM</b>
<b>OPEN</b>	1221.60/00	16.10/13	902/05	843/45
<b>HIGH</b>	1225.90/0	16.20/23	908/11	858/60
<b>LOW</b>	1221.00/40	16.04/07	902/05	843/45
<b>LAST LEVEL</b>	1225.20/60	16.10/13	906/09	852/54

**Range Asian Hours (from Globex open)**

**MACRO:** US equities enjoyed a positive start to the second half of 2017 with the markets mostly higher on the back of a strong performance from the energy and financial sectors ahead of the July 4th holiday. The banks were buoyed by an uptick in treasury yields following the release of positive manufacturing data from the ISM. The Dow added 129.64 points, or 0.61%, to 21,479.27, the S&P 500 rose 5.6 points, or 0.23%, to 2,429.01, and the tech-heavy Nasdaq slipped 30.36 points, or 0.49%, to 6,110.06. There were wins for energy (+2.01%) and financials (+1.34%) while a continuing decline in tech (-0.85%) and losses for utilities (-0.54%) weighed on the markets. European shares enjoyed a strong rally as financials, energy and the miners outperformed. The EuroSTOXX put on 4.04 points, or 1.06%, to 383.41, Frankfurt DAX rose 150.19, or 1.22%, to 12,472.50. The London FTSE 100 advanced 64.37, or 0.88%, to 7,313.00. In currency markets, the US dollar index rallied 0.6% to 96.196, the EUR traded down to 1.1355, while USD/JPY traded up to 113.45. US treasury yields were higher on the upbeat manufacturing data, the 2-year note yield added 2.84 bps to 1.4101%, the 10-year bond yield increased 4.62 bps to 2.3499%. In commodities news, the oil market rally continued for an eighth consecutive session, the longest run of gains so far in 2017. Brent firmed \$0.81, or 1.66%, to \$49.58 a barrel, while WTI gained \$0.96, or 2.09%, to \$47.00 a barrel. Base metals were mixed, with zinc (+1.7%) the best performer and copper (-0.15%) leading the losses. In US economic data, the Institute for Supply Management manufacturing index rose to 57.8 in June from 54.9 in May. The reading exceeds economists forecasts of 55.6% and is the highest level since mid-2014. The new orders sub-index rose to 63.5 in June from 59.5 in May. The Commerce Department advised that construction spending was unchanged at an annual rate of \$1.23 trillion in May. Economists had predicted a 0.3% decline. The April figure was also revised to show a 0.7% decline, rather than the 1.4% originally reported. Private construction spending fell 0.6% in May following a 0.2% decline in April. In Asia today, as I write the Nikkei sits at -0.28%, the Shanghai composite is at -0.57%, the Hang Seng at -1.70%, and the ASX S&P 200 at +1.55%. On the economic calendar tonight we have PPI data out of the Eurozone. No data releases from the US due to the Independence Day holiday.

**PRECIOUS:** Horror session for the precious ahead of the US 4th of July holiday. Gold traded at \$1242 following the open in Asian hours, this would prove to be the highs of the day as the steady rise in USD/JPY made the market look increasingly soft as the session wore on. The SGE premium was at \$9 and this was not enough generate much buying out of China, the metal drifting through the \$1239-40 support that had held



so well over the past couple of weeks. By London open we were sitting on the 200 dma at \$1236, and gold gave up couple more dollars through the AM session. The slide picked up speed on the open in NY, the mid-morning manufacturing data release saw dollar/yen trade above 113 and the yellow metal touch \$1219, eventually printing the low of \$1218 just prior the close. Silver's trading day mirrored gold's, the grey metal opened at the high and gave up 60c to test \$16.00. Somehow palladium managed to avoid the rout, closing flat at \$843. The Philadelphia gold and silver index lost 2.19%. Gold ETF's sold 356kozs overnight. In today's trading, gold has oscillated within the \$1221-1225 range, reaching the high of \$1225.90 as USD/JPY slipped below 113. The SGE premium has remained relatively unchanged around \$9 over loco London. The yellow metal sits at \$1225.20 as I write. Silver traded to the day's high of \$16.19 during the AM session before being dumped to \$16.04, the grey metal has pared some of the losses and is trading at \$16.10 as I write. PGM's are in positive territory, with palladium surging \$15 to print the high of \$858 before pulling back to \$852 as I write. The increase in bond yields as central banks position to move away from accommodative monetary policy, coupled with the continued strength in equities is weighing heavy on the precious complex. We should see support around the May low of \$1214 and below that a break through the \$1200 level would be a catalyst for a move lower. Have a good day ahead.