



MKS PAMP GROUP

Daily Asia Wrap

10th July 2018

Range Asian Hours
(from Globex open)

	GOLD	SILVER	PLATINUM	PALLADIUM
OPEN	1257.50/70	16.11/13	850/52	960/62
HIGH	1260.10/30	16.15/17	855/57	961/63
LOW	1255.40/60	16.06/08	847/49	951/53
LAST	1257.00/20	16.08/10	850/52	953/55

MARKETS/MACRO

Further turmoil for British Prime Minister Theresa May on Monday, with the shock resignation of Foreign Secretary Boris Johnson. The resignation comes as Prime Minister May appeared late last week to have united warring factions of her cabinet, putting together a roadmap for futures relations between the U.K. and the European Union. Mr Johnson is viewed as a serious threat to May's leadership and could potentially attract the numbers required to mount a leadership challenge.

Equity markets in the U.S. ripped higher overnight to see the DJIA book its best single-session gain in a month, turning positive for the year in the process. The bourse jumped +1.31% to 24,776.59 points, while strength across financial stocks (+2.32%) supported the S&P 500 +0.88% higher to 2,784.17 points and the Nasdaq also gained +0.88% to 7,756.201 points. The greenback pared early session declines to turn positive in New York, seeing the DXY index end around +0.1% higher. The dollar reversed an earlier euro move toward 1.18, while also adding around +0.34% against the yen and +0.42% against the pound. Treasury yields tracked higher in the lead up to a number of bond auctions this week, seeing the 10-year add 3bps to 2.86% gain 2bps to 2.55%. European markets pushed higher on Monday, supported by a softer euro and gains to tech stocks. The Stoxx Europe 600 added +0.58% to 384.59 points, while the German Dax gained +0.38% to 12,543.89 points. In the U.K. the FTSE 100 jumped +0.92% to 7,687.99 points, buoyed by a leg lower to the pound following the resignation of Boris Johnson.

PRECIOUS

A relatively muted session for bullion in Asia on Tuesday, attempting a break of the USD \$1,260 pivot point, however offered into London to end the session generally unchanged. Despite Monday's run to USD \$1,266, gold disappointingly closed underneath USD \$1,260 in New York and we once again find the metal within the recent USD \$1,250 - \$1,260 range, albeit skewed to the top-side. Interest out of China kept price action buoyant for the majority of the Asian session, bidding the metal to a session high of USD \$1,260.10 before offers capped any further top-side gains. Afternoon dollar strength weighed upon the metal to revisit Monday's low print, however supply above USD \$1,255 has thus far seen the figure held. Expect dips to remain well supported, initially to USD \$1,255, with extension toward USD \$1,250, while



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USD \$1,260 remains the key top-side pivot point. The latest COTR shows platinum positioning as of July 3 has turned net short for the first time since November 2001, with gross shorts at an all-time high. This surely opens up room for a short covering rally should the metal remain robust, however with global auto demand for diesel cars sliding the metal is unlikely to find support from this avenue. The white metal hit a USD \$857.10 high on Monday and although tempered gains back toward USD \$850 has remained well support in Asia today.

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