



MKS PAMP GROUP

Daily Asia Wrap

9th May 2018

Range Asian Hours
(from Globex open)

	GOLD	SILVER	PLATINUM	PALLADIUM
OPEN	1315.10/30	16.48/50	913/15	971/73
HIGH	1316.10/30	16.49/51	915/17	975/77
LOW	1308.80/00	16.41/43	910/12	971/73
LAST	1309.20/40	16.41/43	910/12	971/73

MARKETS/MACRO

President Trump has announced the U.S. withdrawal from the nuclear agreement with Iran and reimposed economic sanctions that were waived when the deal was signed under President Obama in 2015. The U.S. withdrawal from the Joint Comprehensive Plan of Action (JCPOA) was at odds with the position of European allies, many of which had tried to dissuade President Trump from leaving the agreement. The economic sanctions would be reimposed following 90-day and 180-day wind down periods and cover industries such as oil, aviation, precious metals and Iranian government purchases of U.S. dollar banknotes.

The latest U.S. JOLTS report showed job opening surged to a record high of 6.55 million during March (exp: 6.10 million). The jobs openings rate increased to 4.2% to also mark an all-time high, while hiring eased to 5.4 million from 5.5 million previously, suggesting a skills mismatch. Equity markets in the U.S. ended little changed on Tuesday following President Trump's JCPOA announcement, however the major bourses did close strongly after recovering late in trade from intra-session weakness. The DJIA closed in positive territory for a fourth consecutive session, inching +0.01% higher to 24,360.21 points, while declines to seven of eleven sectors of the S&P 500 had the bourse end -0.03% down at 2,671.92. The greenback added further gains against majors on Tuesday, seeing the DXY index +0.41% higher to close above 93.00. The dollar posted notable gains against the greenback to slide underneath 1.19, while USD/JPY was able to consolidate above 109.00 after testing below the figure in Asia. Treasury yields in the U.S. pushed higher amid a sell-off in European bonds, as concerns over a second general election in Italy grow. The benchmark 10-year added around 2bps to 2.968% and the two-year ticked 1.4bps higher to 2.513%, marking the highest level since August 2008. Oil futures saw whippy trade on Tuesday, sold sharply lower into President Trump's Iran announcement, however able to pare these declines into the close.



PRECIOUS

Bullion saw mixed trade during Asian hours on Wednesday, albeit within a narrow range as the initial risk-off sentiment following President Trump's Iran announcement dissipated and the dollar took a further leg higher. Initial interest around USD \$1,315 soon reversed as the greenback tested toward the overnight high, notably against the yen as the pair jumped over +0.5% in early Tokyo trade. Modest Chinese demand held bullion above USD \$1,310 as the dollar advance took time out to consolidate, however it wasn't long until gold turned offered once again, falling underneath the level leading into European hours. The yellow metal continues to hold range-bound and is likely to again test the 200 DMA at USD \$1,306.20 with a possible extension to the psychological USD \$1,300. Top-side resistance stands at USD \$1,320 and above this the 100 DMA at USD \$1,326.10. All eyes today will be on the U.S. PPI print, while we also see wholesale inventories.

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