



	<b>GOLD</b>	<b>SILVER</b>	<b>PLATINUM</b>	<b>PALLADIUM</b>
<b>OPEN</b>	1281.50/70	17.07/09	969/71	897/99
<b>HIGH</b>	1281.50/70	17.07/09	969/71	899/01
<b>LOW</b>	1272.10/30	16.82/84	960/62	895/97
<b>LAST LEVEL</b>	1274.80/00	16.87/89	961/63	896/98

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

**MACRO:** With a lack of economic data for direction on Monday, investors instead turned focus to developments on the Korean Peninsula and comments out of the Federal Reserve. New York Federal Reserve President William Dudley expects to raise interest rates once more this year according to comments made on Monday in an interview with the Associated Press. Dudley noted that it is dependent upon "how the economy evolves", however should it continue in line with expectations he would be in favor of "doing another rate hike later this year." U.S. Secretary of Defence Jim Mattis and Secretary of State Rex Tillerson wrote in the Wall Street Journal on Sunday that the Trump administration was seeking diplomatic solutions to achieve 'irreversible denuclearization' of North Korea. The easing of tensions between the U.S. and North Korea helped support equities higher on Monday, seeing both the S&P 500 and the Nasdaq back above their respective 50-day moving averages. The DJIA added +0.62% to 21,993.71 points and in the process booked 61 straight sessions without a swing of 1%, the longest such streak in 22 years. The S&P 500 notched a +1% gain to 2,465.84 points as real estate (+1.70%) and technology (+1.60%) led all components aside from energy (-0.27%) higher, while the Nasdaq (+1.34%) outperformed on the back of broad based gains across the technology sector. Oil futures dipped sharply late in trade on Monday following a report from the U.S. Energy Information Administration noting that they expect to see a monthly increase in crude production of 117,000 barrels per day. WTI reversed an earlier break above USD \$49 per barrel to close down -2.5% at USD \$47.50 per barrel, while Brent crude sunk -2.6% to USD \$50.75 per barrel, marking the lowest close since late July. The greenback recovered some of last week's losses on Monday as tensions over North Korea's nuclear ambitions eased somewhat. The DXY dollar index added +0.3% for the session to 93.44, notably seeing EUR/USD below 1.1800, while USD/JPY consolidated around 109.50. Treasuries were sold off on Monday as investors turned back into risk assets. The 10-year yield added around 2.6bps higher to 2.22%, while the 2-year noted gained 2.8bps to 1.322%. European markets turned higher on Monday as investors favoured equities following the weekend de-escalation of tensions on the Korean peninsula. The Stoxx Europe 600 rebounded +1.08% following Friday's near 6-month low closing level, supported in part by a lower euro, while the German Dax



gained +1.26%, largely ignoring the Eurozone industrial production print (-0.6% MoM) that showed a decline in output from Germany. Blue chips in the U.K. snapped a three session losing run on Monday as the FTSE 100 added +0.6% after seeing support from the big miners.

**PRECIOUS:** Bullion traded lower on Monday amid a strengthening greenback, as tensions between the U.S. and North Korea were put on pause for the time being. It was generally one-way traffic for gold to start the week, pulling away from USD \$1,290 on the Asian open, before testing support at USD \$1,280 in both Europe and the U.S as global equities recovered from last week's decline. Gold ETF's saw a continuation of the recent inflows on Monday, adding a further 196k ounces. The yellow metal continued to see some of its recent risk premium wiped away during Asian hours today, running into headwinds as regional equities and the USD saw interest following headlines that North Korea is reportedly softening its stance toward a strike on Guam. Monday's USD \$1,280 support gave way in early Asian trade, opening up a sharp stop loss run toward USD \$1,272 on the Chinese open, before supportive interest became evident. Afternoon pricing did little to instil confidence in the metal, unable to settle above USD \$1,275 and looking likely to test lower into European hours as greenback sees a fresh wave of buying. With bullion pulling away from USD \$1,300, the recent increase in long positioning may become strained and open up the potential for weakness to extend toward USD \$1,260 and below this USD \$1,250. Silver once again recovered from a break below the USD \$17 pivot point on Monday, however saw pricing soften during Asian hours today to lose sight of the figure. The recent failed attempts through USD \$17.25 and the subsequent weakness in Asia today is likely to weigh upon any recent long additions, with expectations of a test toward USD \$16.50 should we see no further flare up of tensions on the Korean peninsula. Platinum has had a soft start to the week after pushing toward USD \$1,000 on Friday, sold below USD \$970 during New York trade on Monday, with a further extension in Asia today to trade over -3% lower than Friday's closing level. Palladium still sits within reach of USD \$900, however failed once again to hold above the figure on Monday. Data today includes German GDP, U.K. CPI / RPI / PPI, U.S. import prices, U.S. retail sales and empire manufacturing.