



	GOLD	SILVER	PLATINUM	PALLADIUM
OPEN	1257.10/30	16.26/28	967/69	889/91
HIGH	1260.95/15	16.30/32	969/71	890/92
LOW	1257.10/30	16.25/27	966/68	887/89
LAST LEVEL	1260.30/50	16.26/28	967/69	887/89

Range Asian Hours (from Globex open)

MACRO: The latest sanctions placed on North Korea by the United Nations Security Council has elicited a response from the rouge nation, threatening retaliation and saying that the United States will "pay for its crime thousands of times". North Korea's foreign minister, Ri Yong-ho later echoed this sentiment at the Association of Southeast Asia Nations, with U.S. Secretary of State Rex W. Tillerson in attendance. Mr Ri noted that, "Neither shall we flinch even an inch from the road to bolstering up the nuclear forces chosen by ourselves unless the hostile policy and nuclear threat of the U.S. against the DPRK are fundamentally eliminated," Consumer credit in the U.S. increased by USD \$12.4 billion during June (exp: USD \$15.75 billion), down on a USD \$18.29 billion increase during May. Auto and student loans, generally referred to as non-revolving credit, increased by USD \$8.3 billion to mark the smallest increase since mid-2016, while revolving credit, including credit cards added USD \$4.1 billion, a reduction from USD \$6.9 billion in May. The average net charge-off rate for large U.S. card issuers, which is the percentage of outstanding debt that issuers write off as a loss, increased to 3.29% during Q2, the highest level in four years. Another session and another record close for the DJIA on Monday, booking a ninth consecutive record close and tenth consecutive gain for the longest such run since February. The bourse was able to survive early session weakness to end +0.12% higher at 22,118.42 points, booking the 35th record close for 2017. Broad based gains led by consumer staples (+0.72%) and technology (-0.59%) saw the S&P 500 end +0.16% higher at a record closing level of 2,480.91 points, while the Nasdaq Composite surged +0.51% to end the session at 6,838.772 points. Comments from Federal Reserve officials on Monday saw U.S. treasury yields lower, with both St. Louis Fed President James Bullard and Minneapolis Fed President Neel Kashkari running a dovish narrative. Bullard, a nonvoting member and a known dove, commented that "The current level of the policy rate is likely to remain appropriate over the near term," Kashkari turned focus to the employment situation, noting that he is yet to see businesses increase wages in-line with the supposed shortage of skilled labour. Treasury yields were sold to see the 10-year around 1.1bps lower to 2.26% and the 2-year eased 0.4bps to 1.355%. Oil futures reversed much of Friday's gains on Monday, however saw interest rate trade flatter the copybook.



Concerns leading into the OPEC meeting in Abu Dhabi weighed upon the price action to see WTI close around -0.5% lower at USD \$49.39 per barrel (session low of USD \$48.54), while Brent crude limited declines to just -0.1% to finish at USD \$52.22 per barrel. German industrial production surprisingly contracted during June according to recent data, falling -1.1% MoM (exp: +0.2%) to follow a +1.2% gain previously. The fall marks the first negative monthly print this year and sees the annualised figure drop to +2.4% YoY (exp: +3.7% YoY) from +4.8% YoY previously. The disappointing figure weighed upon German equities as the Dax ended the session -0.33% lower, while regional equities weren't immune as the Stoxx Europe 600 closed -0.14% down. In the U.K. on Monday, strong performances to mining stocks, broadly driven by gains to iron ore prices and a softer sterling saw the FTSE 100 close +0.27% higher at 7,531.94 points, the best result for the bourse since June 2.

PRECIOUS: Following Friday's fireworks in the U.S., the precious complex took some time out to consolidate during Monday's session and largely ignored geopolitical headlines to track sideways with the USD. Asian trade was a non-event as bullion held a narrow USD \$2 range, while we saw a brief period of weakness in early Europe take the metal to a USD \$1,256 session low as the euro regained the 1.180 handle. Dovish commentary out of the Fed underpinned bullion in New York, however gold was unable to garner enough support for a move through the broad resistance level around USD \$1,260 - \$1,263, softening into the close to end generally flat for the session. Asia saw another range-bound session on Tuesday, however gold did see a mild bid bias as a result of modest declines to the USD. Firming CNY and CNH buoyed bullion once Shanghai opened in Asia to underpin a move toward USD \$1,261, however in similar fashion to New York on Monday, the metal saw solid offers restrict any further gains. Monday's dovish Fed commentary has stalled the Greenback's recovery and allowed gold to pull away from key support levels. However, should the metal head toward the USD \$1,255 - \$1,250 support levels, we are likely to see weak long positioning liquidate to test further support at USD \$1,240 and below this even USD \$1,226. There are still a number of Federal Reserve officials due to hit the wires this week that may give bullion some direct on the way to Friday's U.S. CPI print. Platinum has been able to consolidate well above USD \$960 and should see further support on the back of the Russian sanctions, while palladium reversed course on Monday following news that South African parliament will vote in secret on a motion of no confidence in President Jacob Zuma following the sacking of finance minister Pravin Gordhan in March. Palladium surged nearly +2.5% from Monday's low print and is currently positioned for a push through USD \$900. Data today includes German trade data, U.S. small business optimism and the U.S. JOLTS report.