



Ranges: Europe/US Markets

8-Aug-17	GOLD		SILVER		PLATINUM		PALLADIUM	
	Bid	Offer	Bid	Offer	Bid	Offer	Bid	Offer
OPEN	1257.85	1258.35	16.2774	16.3074	967.85	970.85	889.50	892.50
HIGH	1265.30	1265.80	16.4800	16.5100	978.55	981.55	899.50	902.50
LOW	1251.70	1252.20	16.2350	16.2650	965.41	968.41	885.00	888.00
CLOSE	1260.20	1260.70	16.4650	16.4950	970.95	973.95	899.35	902.35
EFP	5.40	5.50	-0.0300	-0.0200	2.25	3.25	-5.00	0.00
LBMA Prices AM/PM	1261.15	1261.80	16.39		969.00	972.00	885.00	894.00
Active Contract	GCZ7 Comdty		SIU7 Comdty		PLV7 Comdty		PAU7 Comdty	

MACRO:

- U.S equity markets hit session lows on Tuesday after President Donald Trump warned North Korea, saying that threats will be "met with fire and fury".
- The Dow fell -33.08 points, or -0.15%, to 22,085.34, the S&P500 sold off -5.99 points, or -0.24%, to 2,474.92 and the NASDAQ slumped -13.312 points, or -0.21%, to 6,370.46.
- The best performing sector was utilities (+0.3%) and the worst performing sector was Materials (-0.9%)
- European stocks gained as a drop in the euro helped regional equities look through disappointing trade data from Germany and China.
- The EuroFirst 300 Index advanced +2.75 points, or +0.18% to 1,505.10 and the Euro Stoxx 600 Index was up +0.64 of a point, or +0.14% to 382.65. Regionally the DAX rose +0.28% (12,292.05), FTSE100 +0.14% (7,542.73) and CAC40 was up +0.21% (5,218.89)
- USD found an aggressive bid in the NY morning as rates sold off and equities rallied. The EUR was the biggest mover on the session, down 60 pips from where NY walked in after failing to break the 1.1825 resistance level.
- Treasuries sold off as the market was focused on corporate supply, North Korea headlines, and today's 3yr auction. In the end the U.S. 10y yield increased +1.25bps to 2.2650% and the 2y yield was unchanged at 1.3508%.
- Crude oil prices fell slightly as the looming end of the summer peak-demand period saw concerns over inventories dampen investor's appetites. Sep WTI sold off -\$0.27, or -0.55%, to US\$49.12 a barrel.
- The U.S. June JOLTS survey showed job opening rose to a record high at 6.123 million (5.75 million expected) vs 5.702 million in June, which implies strong momentum ahead for the US jobs market. The job openings rate rose +0.2% to a near one year high of 4.0%.



- The U.S. NFIB Index of Small Business Optimism rose to 105.2 (103.5 expected) from 103.6 in June, marking the first rise since January. Business owners signalled optimism in their ability to expand partly due to a pick-up in consumer spending

PRECIOUS:

- It was an interesting session for gold with two way volatility seen for the metal.
- Asia was again very quiet, with limited moves seen but an upside bias present. There were however some solid offers in Dec Comex gold around \$1260.50 (spot equivalent) which kept the market in check.
- The consistent (albeit small) buying throughout the day was underpinned by the drop in USDCNY from the previous session. This had elevated the SGE premium for onshore traders towards \$7 over spot after trading closer to \$5 the day before.
- Early London saw the USDJPY breakdown toward 110.30, which propelled gold through the thick Comex offers (\$1260.50-62.00) and up to the days highs at \$1265.30.
- When NY walked in the JOLTS report was released, coming in at 6.123 million vs 5.75 million, which prompted the USD to sharply reverse higher. The floor fell out from under gold and it traded swiftly to the days lows.
- Later in the afternoon Trump commented on North Korea's threats saying that they "Will be met with Fire and Fury like the world has never seen....", which prompted some safe-haven buying and the stock markets to recede. The yellow metal quickly jumped back through \$1260 and closed just above that level.
- The Washington post also reported that North Korea has likely produced a mini nuclear warhead that can fit into one of it's missiles, which propped up further safe haven demand.

PRE-ASIA COMMENT:

- The safe-haven buying theme continued into the Asia open this morning. Gold has steadily climbed higher despite a strengthening dollar.
- Safe haven currencies however so far have performed well vs. the USD. USDJPY is currently down -0.4% on the day at 109.88 and USDCHF is down at 0.9700 after starting the session at 0.9745. AUDUSD has been hammered, trading from a peak of 0.7915 to a low of 0.7855.
- Gold has pushed through the overnight highs hitting \$1267, but there has been steady producer selling throughout the day.
- Chinese CPI and PPI has come in slightly below expectations for July at +1.4% (1.5% expected, +1.5% prior) and +5.5% (+5.4% expected, +5.5% prior) respectively.
- On the economic calendar today look out for U.S mortgage applications, wholesale inventories and non-farm productivity, Canadian housing starts and building permits and Italian industrial production.