



## MKS PAMP GROUP

### Daily Asia Wrap

1<sup>st</sup> September 2017

Range Asian Hours  
(from Globex open)

|             | <b>GOLD</b> | <b>SILVER</b> | <b>PLATINUM</b> | <b>PALLADIUM</b> |
|-------------|-------------|---------------|-----------------|------------------|
| <b>OPEN</b> | 1321.50/90  | 17.56/59      | 995/98          | 935/37           |
| <b>HIGH</b> | 1321.60/00  | 17.56/59      | 997/00          | 937/39           |
| <b>LOW</b>  | 1318.00/40  | 17.48/51      | 991/94          | 932/34           |
| <b>LAST</b> | 1318.50/90  | 17.49/52      | 994/97          | 934/36           |

#### MARKETS/MACRO

Initial jobless claims in the U.S. inched just 1,000 higher to 236,000 (exp: 238,000) during the week ended August 26. The weekly print saw the four-week moving average ease by 1,250 to 236,750, while continuing claims fell by 12,000 to 1.942 million (exp: 1.951 million) during the week ended August 19. Consumer spending in the U.S. increased less than expected during July, printing at +0.3% MoM (exp: +0.4%) to follow an upwardly revised +0.2% gain in June (prev: +0.1%), while personal income increased +0.4% MoM (exp: +0.3%) from a flat read previously. Core personal consumption expenditures (PCE) edged +0.1% MoM higher during July, while on an annualised basis declined to +1.4% YoY (exp: +1.4%) from +1.5% previously, marking the smallest gain since December 2015. Pending home sales in the U.S. unexpectedly declined during July, sliding -0.8% MoM (exp: +0.3%) to follow a downwardly revised +1.3% (prev: +1.5%) the month prior. July marked the fourth decline in five months as supply constraints continue to weigh upon sales. Equity markets in the U.S. ended the month on a positive note as each of the three major bourses closed higher on Thursday. A second consecutive session rally within the biotechnology space helped the Nasdaq Composite +0.95% higher, notching a fresh record closing level of 6,428.662 points on the way to a +1.3% monthly return. The DJIA tacked on +0.25% to 21,948.10 points for a +0.3% gain over the month, while strength across healthcare (+1.69%) and materials (+0.83%) led nine of eleven sectors higher to see the S&P 500 to a +0.57% gain and +0.1% higher on the month. The greenback traded under pressure on Thursday to reverse early European gains in New York, weighed down by comments from U.S. Treasury Secretary Steve Mnuchin who noted that a weaker currency may be good for trade. The DXY index ended the session around -0.35% lower to see EUR/USD reclaim the 1.19 handle and USD/JPY below 110.00. Oil futures reversed recent weakness on Thursday as refineries compete for supplies. WTI jumped +3.2% to end at USD \$47.10 per barrel, however ended the month -5.9% lower, while Brent crude surged +4% to USD \$52.80 per barrel and limit the monthly decline to -0.5%. European equity markets performed strongly on Thursday, as support from the resources sector underpinned a bid tone following upbeat manufacturing data out of China. The Stoxx Europe 600 jumped +0.77%, however it wasn't enough to drag the bourse into positive territory on a monthly basis, with the index ending -1.1% lower over August as a stronger euro continues to weigh upon exporters. The German Dax ended the session +0.44% higher as jobless claims fell 5,000 in August and the unemployment rate held at a record low of 5.7%, while in the U.K. the FTSE 100 surged +0.89% as the big miners welcomed the latest Chinese data and the pound softened.

#### PRECIOUS

Big day for the precious as the flattening yield curve and escalating tension with North Korea supported the markets. Gold was heavy from the open in Asia, as producer sales weighed on the market. There was a sharp sell off that had the market testing the \$1300 support just before lunch, this was swiftly rejected though with gold consolidating around \$1302-1303 for the Asian afternoon. London were on the offer early and took gold back up to \$1307 as the US dollar eased against the euro. The yellow took off on the NY open, prompted by the weaker PCE data and fuelled by a flattening of the US yield curve, and did not stop



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until the high of \$1323 just prior to the close. Silver had a big day, the grey metal climbed over 30 off the low to finish at \$17.56. Platinum once again tested the psychological \$1000 barrier it crossed earlier in the week but met with strong resistance, while the upward move for palladium was a little more muted. The Philadelphia gold and silver index rose 2.23%. In today's trading, gold has remained within a tight range between \$1318 and \$1321 ahead of tonight's NFP release, the yellow metal is at \$1318.50 as I write. Silver is drifting slightly, the grey metal is at \$17.49 as I write. PGMs are flat. Have a good day ahead.

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