



MKS PAMP
GROUP

Daily Asia Wrap - 17th January 2020



Range Asian Hours
(from Globex open)

	GOLD	SILVER	PLATINUM	PALLADIUM
OPEN	1552.10/50	17.91/94	1003/05	2307/37
HIGH	1556.00/40	18.02/05	1009/11	2342/72
LOW	1549.50/90	17.90/93	1003/05	2307/37
LAST	1556.00/40	18.02/05	1009/11	2329/59

MARKETS/MACRO

US equities continued to rally as the three major bourses close at new record highs. The Dow added 267.42 points, or 0.92%, to 29,297.64, the S&P 500 rose 27.52 points, or 0.84%, to 3,316.81, while the Nasdaq gained 98.44 points, or 1.06%, to 9,357.13. Tech (+1.40%) industrials (+1.01%) and consumer discretionary (+0.90%) led a broad advance in the markets. European equities were mixed, the EuroSTOXX put on 0.91 points, or 0.22%, to 420.54, the German DAX edged lower 2.87 points, or 0.02%, to 13,429.43, and the London FTSE 100 lost 32.99 points, or 0.43%, to 7,609.81. In the currencies, the US dollar index firmed slightly to 97.30, the EUR was down at 1.1132, while USD/JPY was as high as 110.24. US treasury yields were higher, the 2 year yield rose 0.8 bps to 1.568% while the 10 year yield advanced 1.7 bps to 1.807%. Oil prices were higher, Brent put on 0.1% to \$64.52 while WTI added 0.3% to \$58.38. Base metals were mixed, with nickel (-3.9%) the big mover. In U economic data, retail sales rose 0.3% in December, while retail sales ex-autos increased 0.7%. The Philly Fed index rose to 17 in January, the highest reading in 8 months. The import price index rose 0.3% in December, and 0.5% over the calendar year. Business inventories declined 0.2% in November. The NAHB home builders index eased slightly to 75. Initial jobless claims fell 10,000 to 204,000 in the 7 days ending January 11, continuing claims fell by 37,000 to 1.77 million. In Asia today, as I write the Nikkei is at +0.49%, the Shanghai composite is at +0.21%, the Hang Seng is at -0.06%, and the ASX S&P 200 is at +0.49%. Tonight we have housing starts, building permits, industrial production, capacity utilisation,

consumer sentiment index, and job openings out of the US; with current account, construction output, and inflation out of the eurozone.

PRECIOUS

Gold printed the \$1557 high in early Asian trading before easing to \$1551 just ahead of the London open. The metal traded back toward the highs during the London AM session. Gold slid to the session low \$1548 in NY as equities rallied on the trade headlines, solid interest around the \$1550 level arrested a further decline. The yellow metal closed out the session marginally lower at \$1552. Silver was sold steadily from the opening bell in Asia but a rally during the London AM session saw the grey metal testing the \$18 level again. Silver finished up lower at \$17.95. Once again PGMs saw all the action, platinum peaked at \$1040 a NY came in before plunging to test \$1000 ahead of the sessions end. Palladium surged well over \$100 to yet another record high at \$2375 before giving back the majority of the gains. The Philadelphia gold and silver index lost 0.56% to 102.82. The SPDR Gold trust holdings were up 0.13% to 978.49 metric tonnes. In Asia today, gold tested the \$1550 support early on before firming up. The yellow metal is at \$1556.00 as I write. Silver is trading higher and looking to consolidate above the \$18 level, the grey metal is currently sitting at the high of \$18.02. Have a great day ahead.

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