



MKS PAMP GROUP

Daily Asia Wrap

10th April 2018

Range Asian Hours
(from Globex open)

	GOLD	SILVER	PLATINUM	PALLADIUM
OPEN	1336.20/50	16.50/52	934/36	930/32
HIGH	1338.00/20	16.52/54	935/37	937/39
LOW	1331.10/30	16.44/46	932/34	930/32
LAST	1336.50/70	16.50/52	935/37	937/39

MARKETS/MACRO

Equity markets in the U.S. pared gains late in trade on Monday, weighed lower on reports that the Federal Bureau of Investigation had raided the office of Donald Trump's personal lawyer, Michael Cohen. After trading over +1% higher mid-session, the DJIA sharply declined into the close to add just +0.19% to 23,979.10 points, while gains to six of eleven sectors of the S&P 500 led by healthcare (+0.93%), saw the bourse to a +0.33% return at 2,613.16 points. The greenback traded softer on Monday to follow equity markets lower late in trade, seeing the DXY index off -0.36% as USD/JPY dropped below 107.00. Oil futures started the week on a positive note, gaining ground on the back of a relief rally as trade-war concerns eased somewhat. WTI tacked on around +2.2% to end at USD \$63.40 per barrel, while Brent crude jumped +2.4% to USD \$68.65 per barrel. Markets in Europe pushed higher on Monday as market participants benefitted from a cooling of trade tension between the U.S. and China, however Russian stocks slumped following fresh U.S. sanctions. The Stoxx Europe 600 inched +0.13% higher to 375.30 points, the German DAX added +0.17% to 12,261.75 points, while in the U.K. the FTSE 100 gained +0.15% to 7,194.75 points.

PRECIOUS

Gold returned the majority of the overnight premium during Asian trade today, wiping away gains made in New York to test back toward USD \$1,330. With a lack of trade-war headlines on Monday, it took reports of an FBI raid on Trump's personal lawyer's office to dampen the dollar's spirits and push equities sharply lower. Bullion benefitted from the news to break through recent resistance around USD \$1,335, testing to a USD \$1,337.05 session high as USD/JPY sunk underneath 107.00. The metal remained capped underneath USD \$1,340 (futures) into the close, however was able to book a +0.2% gain on the session. The major movers overnight were the white metal's, predominately palladium (+2.8%) following the fresh round of U.S. sanctions on Russia.

Asian price direction on Tuesday was largely dominated by Chinese President Xi Jinping's speech at the Boao forum on China's Hainan island, whereby the Chinese leader spoke with a conciliatory tone and sought to diffuse trade tensions. Mr Xi's comments provided respite for the greenback, pushing around +0.4% higher against the yen, while U.S. equity futures moved higher to sit around +1.3%. The move to a



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risk-on tone took bullion lower in early Chinese trade, declining from a session high around USD \$1,338 to USD \$1,333, before weakness extended to a session low of USD \$1,331.10. Near-term pricing is likely to see bullion pull back as trade-war tensions subside following today's comments in Boao, with initial support for the metal sitting around USD \$1,330 (50 DMA), while below this the recent support at USD \$1,320 will act to restrict further declines. Data releases today include Industrial production out of France and Italy, U.S. small business optimism and U.S. PPI.

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