



## MKS PAMP GROUP

### Asia Market Update

11<sup>th</sup> January 2019

Range Asian Hours  
(from Globex open)

	<b>GOLD</b>	<b>SILVER</b>	<b>PLATINUM</b>	<b>PALLADIUM</b>
<b>OPEN</b>	1286.80/00	15.57/59	819/21	1323/26
<b>HIGH</b>	1294.60/80	15.72/74	823/25	1333/36
<b>LOW</b>	1286.80/00	15.57/59	818/20	1321/24
<b>LAST</b>	1293.40/60	15.70/72	823/25	1330/33

#### MARKETS/MACRO

Initial jobless claims in the U.S. sunk a seasonally adjusted 17,000 to 216,000 (exp: 226,000) during the week ended January 5, while the less volatile four-week moving average edged up by 2,500 to 221,750. Continuing claims meanwhile declined by 28,000 to 1.722 million (exp: 1.74 million) during the week ended December 29. Stocks in the U.S. booked their fifth consecutive win on Thursday as trade talks between the U.S. and China continue to buoy markets. The DJIA ended the session +0.51% higher at 24,001.92 points, S&P 500 added +0.45% to 2,596.64 points and the Nasdaq Composite climbed +0.42% higher to finish at 6,986.066 points. The greenback firmed on Thursday (DXY +0.50%) following recent weakness, even amid comments from Federal Reserve Chairman Jerome Powell reiterating that the central bank is willing to be patient with future rate rises. The euro eased modestly (-0.3%) to test briefly back underneath 1.15, the safe-haven yen (-0.25%) also gave back ground, while both CNY (+0.43%) and CNH (+0.25) were bid following positive trade discussions between the U.S. and China. Oil futures consolidated recent gains on Thursday, with both WTI (+0.38%) and Brent crude (+0.05%) notching modest gains.

#### PRECIOUS

Bullion turned higher during Asian trade on Friday, buoyed by softer regional equity markets and an offered greenback. Thursday's retracement from the top-end of the recent range was shallower than what we have seen previously, with supportive interest evident toward USD \$1,285 to restrict any further tests of USD \$1,280. The overnight supportive price action remained evident during Asian trade today, with bullion opening with a bid tone toward USD \$1,290. Interest accelerated once China opened, with the dollar turning sharply offered in early Shanghai, most notably against CNH as the pair collapsed to a 6.7444 low (six-month low) after opening above 6.79, while USD/CNY also moved sharply lower in tandem. The on-shore premium in Shanghai remained buoyant above USD \$8 to further underpin pricing, while Globex registered around 48k lots during the Asian session to further demonstrate elevated interest across the region. The yellow metal still however remains firmly within the USD \$1,280 - \$1,300 range, with participants seemingly comfortable to operate within these parameters in lieu of a break out catalyst. While we saw modest ETF outflows during the recent move toward USD \$1,280, which was at odds with the current trend, inflows of around 80,000 ounces were recorded on Thursday and came predominately from U.S. based funds. Focus today moves to the performance of equity markets with the greenback waning and whether the major U.S. bourses can book a sixth consecutive gain to weigh upon bullion's move toward USD \$1,300. Data today includes U.K. trade balance, U.K. industrial/manufacturing production and the all-important U.S. CPI print.



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