



MKS PAMP GROUP

Asia Market Update

16th October 2018

Range Asian Hours
(from Globex open)

	GOLD	SILVER	PLATINUM	PALLADIUM
OPEN	1227.00/20	14.70/72	842/44	1086/88
HIGH	1228.60/80	14.73/75	844/46	1086/88
LOW	1225.20/40	14.65/67	840/42	1084/86
LAST	1226.80/00	14.68/70	843/45	1085/87

MARKETS/MACRO

Retail Sales in the U.S. inched modestly higher during September, gaining just +0.1% MoM (exp: +0.6%) to match the August print. Sales excluding autos pulled back -0.1% MoM (exp: +0.4%) from +0.2% the month prior, while sales ex autos and gas were flat. The Empire State manufacturing index improved during October, adding 2.1 points to 21.1 (exp: 20.0). Both the new orders and shipments sub-indexes improved, while firms remained 'moderately optimistic' about the six-month outlook. Equities in the U.S. traded heavily on Monday to reverse early session gains as technology stocks weighed upon the broader market. The tech-laden Nasdaq Composite was the hardest hit, falling -0.88% to 7,430.742 points as Apple inc. (-2.14%), Alphabet Inc. (-1.62%) and Amazon Inc. (-1.55%) all recorded declines. The DJIA slipped -0.35% to 25,250.55 points, while weakness across technology (-1.64%) and energy (-0.82%) saw the S&P 500 -0.59% lower to 2,750.79 points. The greenback turned lower late in trade on Monday, ending down -0.2% as safehaven currencies such as the yen and Swiss franc saw interest.

PRECIOUS

A relatively muted session for bullion during Asian trade today, skewed mildly to the down-side, however benefitting from continued safe-haven interest to hold a narrow range. Early bids underpinned a push to the session high of USD \$1228.60, largely driven by an offered dollar notably against CNH. The greenback soon reversed to pare the initial declines in USD/China, while demand out of Shanghai was noticeably lower today relative to what we have seen in recent sessions. We see continued interest in bullion driving the yellow metal higher over the near-term, as investors continue to unwind equity positioning amid higher forecasted interest rates and escalating geopolitical tensions. Broad support for gold sits toward USD \$1,215 - \$1,220, while a consolidated break above USD \$1,230 is likely to pressure shorts and open the door for a test of USD \$1,250. Silver price action was generally pinned either-side of USD \$14.70 in Asian hours today, consolidating gains made in recent sessions and continuing to look likely to test a break of USD \$15. Platinum eased marginally with silver amid uninspiring base metal pricing, while palladium was broadly unchanged following recent volatility and spend the session consolidating underneath USD \$1,190.00. Data releases today include U.K. employment data, German ZEW survey results, Italian CPI and U.S. industrial production.

Although the information in this report has been obtained from and is based upon sources MKS believes to be reliable, we do not guarantee its accuracy and it may be incomplete or condensed. All opinions and estimates constitute MKS' judgment as of the date of this report and are subject to change without notice. This report is for informational purposes only and is not intended as investment advice, offer or solicitation for the purchase or sale of an investment. This report does not consider or take into account the investment objectives or financial situation of a particular party.