



MKS PAMP GROUP

Asia Market Update

17th December 2018

Range Asian Hours
(from Globex open)

	GOLD	SILVER	PLATINUM	PALLADIUM
OPEN	1238.40/60	14.54/56	785/87	1243/48
HIGH	1239.20/40	14.58/60	786/88	1248/53
LOW	1235.90/10	14.54/56	783/85	1237/42
LAST	1237.60/80	14.57/59	784/86	1246/51

MARKETS/MACRO

Retail Sales in the U.S. continued to increase during November, adding +0.2% MoM (exp: +0.1%) to follow an upwardly revised +1.1% during October (prev: +0.8%). Once the volatile auto and gas sectors were stripped out, retail sales increased +0.5% MoM (exp: +0.4%), with gasoline sales slumping -2.3% on the month. Industrial production in the U.S. jumped +0.6% MoM during November (exp: +0.3%) to follow a negatively revised -0.2% fall during October (prev: +0.1%). The monthly gain was underpinned by a +3.3% gain to utilities on the back of cold weather, while mining output rose +1.7%. The seasonally adjusted U.S. IHS Markit composite PMI declined to 53.6 during December from 54.7 previously, signalling the weakest private sector expansion since May 2017. Equities in the U.S. tumbled on Friday on the back of global slow-down fears, with softer than expected data out of China and Europe spooking investors. The DJIA sank -2.02% to 24,100.51 points, marking the lowest close since early May and more than -10% down from its October 3 record high to fall into correctional territory. Declines to healthcare (-3.37%) and technology (-2.48%) led the S&P 500 -1.91% lower to 2,599.95 points, marking the lowest close since early April, while the Nasdaq Composite fell -2.26% to 6,910.665 points. The greenback ripped higher on Friday before tempering gains in early New York hours, posting wins against most majors (DXY +0.37%), however off against the safe-haven yen (USD/JPY -0.22%). European markets slumped on the back of soft regional data and fears over a slow-down in China. The Stoxx Europe 600 fell -0.63% to 347.21 points, the German Dax slipped -0.54% to 10,865.77 points, while in the U.K. the FTSE 100 (-0.47%) traded heavily on the back of weaker resources stocks.

PRECIOUS

A relatively light session for bullion during Asian trade on Monday, seeing the metal held within a narrow range amid light flows through Globex (approx 17k lots). A mild early session bid took the yellow metal to the session high of USD \$1,239.20 as the greenback opened offered, however interest was short-lived and price action tailed-off toward USD \$1,235 leading into the Chinese open. USD/CNH tracked lower in early Shanghai flows to drag gold away from the session low, pushing back through USD \$1,238 as the on-shore premium pushed above USD \$8 relative to London pricing. Broad resistance for the metal is evident through USD \$1,240 toward USD 1,245, while supportive price action around USD \$1,235 has thus far managed to restrict further declines. Silver remains buoyant above USD \$14.50, while platinum remains friendless below USD \$800 and palladium continues to trade with high volatility. Data releases today include Eurozone CPI and U.S. Empire manufacturing.



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