



## MKS PAMP GROUP

### Asia Market Update

23<sup>rd</sup> October 2018

Range Asian Hours  
(from Globex open)

	<b>GOLD</b>	<b>SILVER</b>	<b>PLATINUM</b>	<b>PALLADIUM</b>
<b>OPEN</b>	1222.20/40	14.56/58	821/23	1122/24
<b>HIGH</b>	1224.30/50	14.60/62	822/24	1122/24
<b>LOW</b>	1221.90/10	14.52/54	818/20	1119/21
<b>LAST</b>	1224.20/40	14.53/55	818/20	1120/22

#### MARKETS/MACRO

U.S. equities ended generally lower on Monday as participants await a slew of earnings results this week against a backdrop of both global trade and global growth concerns. The S&P 500 booked a fourth consecutive decline in falling -0.43% to 2,755.88, with financials (-2.06%) leading the laggards. The DJIA declined -0.50% to 25,317.41 points, while tech stocks staged a recovery to support the Nasdaq Composite +0.26% higher to 7,468.629 points. The greenback exhibited broad based strength on Monday, with a lack of data or central bank commentary seeing the market revert to a dollar bias. The buck gained nearly +1% against the pound amid a lack of Brexit developments, while reversing early Euro strength to add +0.4% against the common currency on the back of Italian budget jitters. Treasury yields were generally unchanged on Monday as equities traded mixed. The two-year yield added just half a basis point to 2.912% and the 10-year ended flat around 3.196%. Oil futures recovered from early New York declines to finish the session broadly unchanged on Monday. WTI added around +0.1% to USD \$69.50 per barrel, while Brent crude held above USD \$80 per barrel. Markets in Europe ended softer on Monday as the ongoing Italy / EU discussions weigh upon sentiment within the region. The Stoxx Europe 600 ended -0.42% to 359.74 points, while the German Dax eased -0.26% to 11,524.34 points and the French CAC declined -0.62% to 5,053.31 points. In the U.K. the FTSE 100 handed back early session gains, unable to capitalise on a softer pound to end -0.10% lower at 7,042.80 points.

#### PRECIOUS

Muted price action throughout Asian trade on Tuesday, with the metal reasonably well supported throughout the session, however unable to extend far from New York closing levels. A modest offered bias to the greenback supported bullion in early Chinese hours, weighing marginally on USD/China to entice participants into the spot market. Gold ticked up a few dollars around the Shanghai open as the on-shore premium edged above USD \$6, however was unable to garner the interest required to break through layered offers toward USD \$1,225 amid a lack of developments in the U.S. / Saudi Arabia tensions and no further U.S. / China trade headlines. Supportive price action remains evident initially around USD \$1,220, while any extension toward USD \$1,210 - \$1,215 is likely to see resting bids restrict any further declines. The recent build in short positioning from mid this year sits heavily around USD \$1,240 and any moves toward/through this level should instigate a spate of short covering to potentially push above the psychological USD \$1,250 level. Silver held support at USD \$14.50 in New York on Monday and continues to trade above the figure in Asia today. As mentioned previously we see large option open interest around USD \$15, which should keep price action buoyant into expiry later this week. Although quiet today, palladium was the main mover on Monday as the metal broke through the



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technically important USD \$1,095 level to surge +3.7%. The white metal remains supportive around USD \$1,120 and should add to recent gains.

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