



MKS PAMP GROUP

Asia Market Update

28th September 2018

Range Asian Hours
(from Globex open)

	GOLD	SILVER	PLATINUM	PALLADIUM
OPEN	1183.50/70	14.24/26	810/12	1082/84
HIGH	1185.20/40	14.29/31	811/13	1086/88
LOW	1181.70/90	14.24/26	806/08	1082/84
LAST	1181.80/00	14.28/30	808/10	1085/87

MARKETS/MACRO

U.S. GDP held unchanged at 4.2% QoQ during Q2, underpinned by gains to consumer spending, net exports and business investment. Personal consumption increased +3.8% QoQ to be in-line with estimates, while core PCE outpaced to increase +2.1% QoQ (exp: +2.0%) from +2.0% previously. Durable goods orders in the U.S. surged +4.5% during August (exp: +2.0%) to reverse a -1.7% fall the month prior. Underpinning the headline print was a +13% increase in demand for transportation equipment as orders for civilian aircraft soared +69.1%. Durable goods ex-transportation meanwhile ticked just +0.1% higher (exp: +0.4%), while the closely watched orders for non-defense capital goods ex-air declined -0.5% during August (exp: +0.4%) from a +1.5% increase previously. Initial jobless claims in the U.S. increased by 12,000 to 214,000 during the week ended September 22, while the four-week moving average inched just 250 higher to 206,250. Continuing claims added 16,000 to 1.661 million (exp: 1.678 million) during the week ended September 15. U.S. pending home sales declined -1.8% MoM during August, (exp: -0.5%) from a -0.8% fall previously. The monthly print saw the annualised figure to 2.5% YoY (exp: -1.0%) from -0.7% previously. Equities in the U.S. rebounded from Wednesday's declines on the back of the positive GDP print, however saw gains tempered throughout the afternoon. The DJIA ended trade +0.21% higher at 26,439.93 points, while gains to utilities (+0.96%) and technology (+0.54%) helped support the S&P 500 +0.28% higher to 2,914.00 points. The greenback clawed back ground against majors on Thursday following the Federal Reserve interest rate increase, seeing the DXY end +0.82% higher.

PRECIOUS

Bullion exhibited further weakness during Asian trade on Friday following the overnight outside session. Dollar strength continues to be the main driver of downward pressure on prices, with a mild bid tone out of China reversed in late afternoon trade as the greenback extended higher. Shanghai saw the metal toward a USD \$8 premium to provide underlying supportive price action, however sellers soon wrestled back control to see the yellow metal ease through the New York low print as Europe filtered in. Bullion continues to be susceptible to post FOMC greenback strength as well as month/quarter end USD demand, pressuring the metal toward support at USD \$1,180, with risks extending through USD \$1,172 to the August low print of USD \$1,160. Worth noting is the Chinese holiday next week, which will remove physical interest from the market during Asian hours. Silver continues to trade resiliently and has held support around USD \$14.20 thus far, with little risk of extension below this level during Asian hours today. Platinum is tracking heavily and sees USD \$800 as a major pivot point, while palladium exhibited whippy pricing in New York on Thursday, however extended to fresh highs in Asian today. Data releases today



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include French CPI, German Employment, U.K. GDP, Eurozone CPI, U.S. personal income, U.S. PCE, the Chicago purchasing manager index and the University of Michigan consumer sentiment.

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