



MKS PAMP GROUP

Asia Market Update

30th October 2018

Range Asian Hours
(from Globex open)

	GOLD	SILVER	PLATINUM	PALLADIUM
OPEN	1230.10/30	14.46/48	833/35	1089/91
HIGH	1230.30/50	14.51/53	834/36	1097/99
LOW	1226.50/70	14.46/48	833/35	1089/91
LAST	1227.50/70	14.51/53	834/36	1096/98

MARKETS/MACRO

Reports from Bloomberg news on Monday that the U.S. is preparing a new round of tariffs against all remaining Chinese imports should upcoming trade talks between the two parties fail to reach a resolution. It was reported that an announcement of around USD \$257 billion worth in new tariffs could occur as early as December. Following a firm open, equities in the U.S. reversed on the back of the potential fresh tariffs, pushing the DJIA to the largest single-session turnaround since early February. Having traded as much as 352 points higher, the bourse collapsed to end the session 344 points or -0.99% lower at 24,442.92 points. Boeing Co led the Dow's losses, falling -6.59% to contribute 163 points to the bourse's price-weighted decline. Heavy trade across technology (-1.81%) and energy (-1.88%) saw the S&P 500 end the session -0.66% lower to 2,641.25 points, while the tech-laden Nasdaq saw its largest reversal from an opening since late August 2015, ending -1.63% down at 7,050.293 points. The greenback clawed back ground against majors on Monday (DXY +0.3%) as the euro saw volatile pricing following political news out of Germany, while Chinese currencies extended recent declines. German Chancellor Angela Merkel announced she would not be seeking any further political post after her term as Chancellor ends in 2021, while also stating she would not seek re-election as leader of the CDU party in December. The announcement comes following a number of setbacks to her CDU party in recent regional elections, with Mrs Merkel taking full responsibility for the poor performance. Equities across Europe posted gains on Monday, with notably the German Dax booking its best daily performance since early September to add +1.2%. The Stoxx Europe 600 closed the session +0.90% higher at 355.51 points, while a strong performance to HSBC in London sent the U.K. FTSE 100 +1.25% higher to 7,026.32 points.

PRECIOUS

Bullion continued to exhibit weakness during Asian trade today following Monday's declines, running into headwinds toward USD \$1,230 and unable to reclaim the figure. The greenback remained elevated throughout the session, while USD/CNH held above 6.97 to see Chinese demand muted. Shanghai saw the on-shore premium ease toward USD \$6.50 as spot gold printed the session low of USD \$1,226.50 following further USD/CNY strength around the fix. The New York test underneath USD \$1,225 has almost certainly cleared out some of the recent weaker long positioning, however a test underneath USD \$1,220 cannot be ruled out should U.S. equities manage to regain their footing and the dollar remain firm. Initially we look to USD \$1,230 as a key pivot point, with broad extension to the more important USD \$1,235. Following Monday's -1.8% collapse, silver has managed to regain support around USD \$14.50 during Asian trade today, however more importantly supportive price action remains evident toward USD \$14.40 and this figure will be the key to the recent strength continuing. Platinum traded relatively immune to the precious weakness in New York to hold above USD \$830 and close unchanged on the session,



MKS PAMP
GROUP

while palladium once again relinquished the USD \$1100 handle and continues to hold underneath the key pivot point in Asia today. Data today includes French GDP, Italian GDP, Eurozone GDP, Eurozone consumer confidence, German employment data, German CPI and U.S. conference board consumer confidence.

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.