



## MKS PAMP GROUP

### Daily Asia Wrap

11<sup>th</sup> May 2018

Range Asian Hours  
(from Globex open)

	<b>GOLD</b>	<b>SILVER</b>	<b>PLATINUM</b>	<b>PALLADIUM</b>
<b>OPEN</b>	1321.20/60	16.72/75	921/24	997/99
<b>HIGH</b>	1321.80/20	16.72/75	924/27	998/00
<b>LOW</b>	1319.20/60	16.66/69	919/22	992/94
<b>LAST</b>	1320.10/50	16.69/72	921/24	994/96

#### MARKETS/MACRO

US stocks finished higher as the Dow extends its winning streak to 6 days, the longest since February. The Dow added 196.99 points, or 0.80%, to 24,739.53, the S&P 500 rose 25.28 points, or 0.94% to 2,723.07, while the Nasdaq gained 65.069 points, or 0.89%, to 7,404.975. Telecoms (+1.90), utilities (+1.34%) and tech (+1.28%) led a broad advance in the markets. European equities were mixed, the EuroSTOXX lot 0.47 points, or 0.12%, to 391.97, the German DAX put on 79.81 points, or 0.62%, to 13,022.87, and the London FTSE 100 gained 38.45 points, or 0.50%, to 7,700.97. In the currencies, the US dollar index shed 0.35% to 92.71, the EUR was as high as 1.1942, while USD/JPY traded down to 109.32. US treasury yields were mixed, the 2 year yield rose 0.02 bps to 2.5302% and the 10 year yield eased 4.2 bps to 2.9622%. Oil prices continued to rally, Brent tacked on 0.32% to \$77.46 and WTI firmed 0.37% to \$71.40. Base metals were mostly lower although copper (+1.57%) bucked the trend. In US economic data, CPI rose 0.2% in April following a 0.1% fall in March, while core CPI gained 0.1% after a 0.2% increase in March. Both figures were below market estimates, which were 0.3% and 0.2% respectively. Initial jobless claims were flat at 211k in the week ending May 5th, continuing claims rose 30k to 1.79 million. The US government reported a record \$214 billion surplus in April. The record surplus was largely the result of a sharp increase in individual tax receipts, which were \$66 billion higher than in April 2017. In Asia today, as I write the Nikkei is at +0.90%, the Shanghai composite is at -0.11%, the Hang Seng is at +1.26%, and the ASX S&P 200 is at +0.17%. Tonight we have import prices out the US.

#### PRECIOUS

Positive session for the precious as US CPI comes in below expectations. Gold opened at \$1311 and traded a \$5 range through Asian hours. The market tested \$1310 a couple of times as USD/JPY tried to make a move higher but was rejected on each occasion. Flows were steady with the SGE premium at \$6-7. London were buyers at this level, squeezing the market above the Asian highs. The lacklustre CPI figures released in early NY hours sent the yellow metal to the days high of \$1322 as investors bought the EUR above 1.19. Gold dipped again as the EUR pulled back but recovered to close near the highs at \$1321. Silver took advantage of the weaker greenback to hit a 3 week high \$16.75 during NY afternoon trading. PGMs were higher on the back of supply concerns out of South Africa, platinum reached \$926 while palladium surged \$25 to trade above the \$1000 level since April 23. The Philadelphia gold and silver index added 1.74%. SPDR gold trust holdings were unchanged at 862.95 metric tonnes. Very quiet in Asia today with not much price action to speak of. Gold opened at \$1321.20 and has traded sideways as the day progresses, the yellow metal is at \$1320.10 as I write. Silver is flat at \$16.69 as I write and very little happening in the PGM's. Positive signs for gold as it broke out of the recent range with a close above \$1320, a consolidation above the the \$1326 (100 DMA) resistance could be a catalyst for a move higher. Support wise, we expect a lot of buying interest between the overnight low at \$1310 and the 200 DMA at \$1306. Have a good day ahead.



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