



## MKS PAMP GROUP

### Daily Asia Wrap

17<sup>th</sup> April 2018

Range Asian Hours  
(from Globex open)

	<b>GOLD</b>	<b>SILVER</b>	<b>PLATINUM</b>	<b>PALLADIUM</b>
<b>OPEN</b>	1345.80/20	16.65/68	928/31	999/01
<b>HIGH</b>	1348.80/20	16.71/74	930/33	1004/06
<b>LOW</b>	1343.90/30	16.63/66	925/28	999/01
<b>LAST</b>	1344.50/90	16.66/69	928/31	1003/05

#### MARKETS/MACRO

US equities rallied on Monday as geopolitical concerns appear to be easing. The Dow added 212.90 points, or 0.87%, to 24,573.04, the S&P 500 rose 21.54 points, or 0.81% to 2,677.84, while the Nasdaq gained 49.635 points, or 0.7%, to 7,156.285. Telecoms (+1.49%), utilities (1.38%), and materials (+1.38%) led a broad advance in the markets. European equities were lower, the EuroSTOXX lost 1.46 points, or 0.39%, to 377.74, the German DAX fell 50.99 points, or 0.41%, to 12,391.41, and the London FTSE 100 slipped 66.36 points, or 0.91%, to 7,198.20. In the currencies, the US dollar index eased 0.41% to 89.432, the EUR traded up to 1.2388, while USD/JPY traded down to 107.04. US treasury yields were mixed, the 2 year yield firmed 2.07 bps to 2.3773% and the 10 year yield was unchanged at 2.8267%. In commodities, oil prices were lower as Brent sold off 1.38% to \$71.58 and WTI lost 1.56% to \$66.34. Base metals were broadly higher, with aluminium (+4.99%) leading the way higher. In US economic data, retail sales rose 0.6% in March following a 0.1% decline in February, the gain breaks a run of three straight monthly declines. Retail sales ex-autos rose 0.2% for a second straight month. The Empire State manufacturing index fell to 15.8 in April from a reading of 22.5 in March. The new orders index fell 7.8 points to 9 in April and the shipments index fell to 17.5. The National Association of Home Builders confidence index slipped to 69 in April from 70 in March. Business inventories rose 0.6% in February following a 0.6% rise in January, according to the Commerce Department. The total business inventories/sales ratio was 1.35 in February. In Asia today, as I write the Nikkei is at +0.01%, the Shanghai composite is at -0.21%, the Hang Seng at +0.03%, and the ASX S&P 200 is at +0.42%. Tonight we have housing starts, building permits, industrial production, and capacity utilisation out of the US; and economic sentiment out of the Eurozone.

#### PRECIOUS

A volatile session for the precious in the first trading day following the US missile strikes on Syria on Friday evening. Gold was fairly choppy during Asian hours, an early dip down to the days low of \$1340 was followed by quick recovery back to the opening levels around \$1345, then on to \$1348 as the Chinese came in. The SGE premium was at \$8 which prompted buying out of China, but the market was capped around that \$1348 mark. A sell-off in late Asian hours saw the market slide to \$1341 by the opening bell in London. More whippy trade through the London AM session as the US dollar was sold sharply against the EUR. The yellow metal found a bid in NY and climbed to the session high \$1350, though resting orders at that level provided firm resistance. Gold finally settled to a close around the opening level at \$1345. Silver printed a high of \$16.77 but ultimately gave up the gains in a whippy session. Palladium picked up where it left off last week, surging 2.5% to a high of \$1011 and trading above the \$1000 level for the first time since mid-March. The Philadelphia gold and silver index lost 0.12%. The SPDR gold trust holdings were unchanged at 865.69 metric tonnes. Gold ticked up a couple of dollars after the open in Asia, and on to a high of \$1348.80 as USD/JPY dipped below 107. The SGE premium is unchanged at around \$8 over loco London. The yellow metal is drifting lower as the afternoon progresses, and is sitting at \$1344.50 as I write. Silver is flat at \$16.66. In the PGMs, platinum is edging higher and palladium is holding above \$1000. Gold



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should find broad support between \$1340-42 and at the 55 DMA level at \$1331 below that. The \$1350 level which has held over the last couple of days will be the first point of resistance, a consolidation above that level could see the yellow metal make another attempt on the 2018 high of \$1364. Have a good day ahead.

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