



MKS PAMP GROUP

Daily Asia Wrap

1st May 2018

Range Asian Hours
(from Globex open)

	GOLD	SILVER	PLATINUM	PALLADIUM
OPEN	1315.30/70	16.30/33	903/06	964/66
HIGH	1316.20/60	16.33/36	905/08	966/68
LOW	1311.60/00	16.23/26	899/02	961/63
LAST	1311.90/30	16.27/30	900/03	961/63

MARKETS/MACRO

US equities shrugged off more positive earnings data to finish lower overnight. The Dow lost 148.04 points, or 0.61%, to 24,163.15, the S&P 500 fell 21.86 points, or 0.82% to 2,648.05, while the Nasdaq shed 53.533 points, or 0.75%, to 7,066.266. Telecoms (-2.66%), health (-1.56%) and industrials (-1.35%) led a broad decline in the markets. European equities were higher, the EuroSTOXX rose 0.68 points, or 0.18%, to 385.32, the German DAX put on 31.24 points, or 0.25%, to 12,612.11, and the London FTSE 100 gained 7.09 points, or 0.09%, to 7,509.30. In the currencies, the US dollar index firmed 0.32% to 91.838, the EUR 1.2067 while USD/JPY was as high as 109.41. US treasury yields were mixed, the 2 year yield rose 0.41 bps to 2.4879% and the 10 year yield fell 0.37 bps to 2.9531%. In commodities news, oil prices were higher on concerns that the US will restore sanctions on Iran after Israeli Prime Minister Benjamin Netanyahu claimed that Iran ran a secret program to produce nuclear weapons. Brent tacked on 0.71% to \$75.17 while WTI gained 0.69% to \$68.57. Base metals were mostly higher, with aluminium (1.44%) leading the gains. In US economic data, the PCE price index rose 2% year-on-year in March, following a 1.7% increase in February. The Core PCE price index advanced 1.9% in the 12 months to March. Personal income increased 0.3% in March from 0.4% in February, and real consumer spending rose 0.4%. The Chicago PMI rose to 57.6 in April from 57.4 in March. The National Association of Realtors pending home sales index rose 0.4% to 107.6 in March. In Asia today, as I write the Nikkei is at +0.05%, the Shanghai composite is closed, the Hang Seng is closed, and the ASX S&P 200 is at +0.56%. Tonight we have Markit manufacturing PMI, ISM manufacturing index, construction spending, and motor vehicle sales out of the US; and GDP growth, Markit manufacturing PMI, and unemployment rate out of the Eurozone.

PRECIOUS

Softer session for the precious in light trading. Gold opened at \$1322 in Asia and traded up to \$1324.80 just after the open, however this would be the high for the day. With Japan and China both out for holidays the liquidity was thin, and as soon as USD/JPY started firming gold lost ground quickly. The metal dropped to \$1317 by the time London came in, the sell off continued until the market reached it's nadir of \$1310 just after the NY open. From here there was an impressive bounce back to \$1320 as investors dumped equities, but the yellow metal was unable to sustain the rally and drifted to a close at \$1315. Volatile session for silver, the grey metal tumbled almost 2% to a low of \$16.18 before gapping up 27c in early NY hours then easing to finish at \$1315. In the PGMS, platinum dipped below the \$900 level for the first time since December. The Philadelphia gold and silver index lost 2.15%. Quiet again in Asia today with China still out, gold opened at \$1315.40 and has drifted lower as the day progressed, the yellow metal is at \$1311.90 as I write. Silver drifting also, the grey metal sits at \$16.27 as I write. Platinum and palladium are at \$900 and \$961 respectively. Gold should find some resistance at the \$1321 100 DMA. Support-wise, we are nearing some key technical levels with the 200 DMA at \$1304 and the psychological \$1300 level below that, expect broad support between \$1300 and the overnight low of \$1310. Have a good day ahead.



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