



MKS PAMP GROUP

Daily Asia Wrap

21st September 2018

Range Asian Hours
(from Globex open)

	GOLD	SILVER	PLATINUM	PALLADIUM
OPEN	1206.70/10	14.29/32	834/37	1050/52
HIGH	1209.70/10	14.39/42	836/39	1054/56
LOW	1206.60/00	14.27/30	830/33	1048/50
LAST	1208.80/20	14.38/41	834/37	1051/53

MARKETS/MACRO

US equities continued to rally on solid economic data, with both the Dow and S&P 500 posting record highs. The Dow added 251.22 points, or 0.95%, to 26,656.98, the S&P 500 gained 22.80 points, or 0.78%, to 2,930.75, while the Nasdaq rose 78.19 points, or 0.98%, to 8,028.23. Tech (+1.17%), consumer staples (+1.16%) and materials (+1.05%) led a near broad advance in the markets. European equities were higher, the EuroSTOXX advanced 2.65 points, or 0.70%, to 382.63, the German DAX rose 107.46 points, or 0.88%, to 12,326.48, and the London FTSE 100 put on 36.20 points, or 0.49%, to 7,367.32. In the currencies, the US dollar is trading broadly lower as investors fears around the China-US trade war start to ease. The US dollar index fell 0.7% to 93.898, the EUR climbed to 1.1783, while USD/JPY was as high as 112.57. US treasury yields were higher, the 2 year yield firmed 1.3 bps to 2.80% while the 10 year yield added 0.4 bps to 3.20%. Oil prices were lower as President Trump tweeted that OPEC needs to “get prices down now!” ahead of the weekends meeting in Algeria. Brent fell 1.4% to \$78.60 while WTI sold off 1.3% to \$70.77. Base metals were mostly higher, with zinc (+0.9%) leading the gains. In US economic data, the Philadelphia Fed manufacturing index rose to 22.9 in September from 11.9 in August, beating the economists forecast of a 19.6 reading. The National Association of Realtors announced existing home sales were unchanged at a seasonally adjusted annual rate of 5.34 million in August. The Conference Board’s leading economic index rose 0.4% in August after a 0.6% increase in July, pointing to solid growth in the third quarter. Household debt rose by a seasonally adjusted 2.1% to \$106.93 trillion in the second quarter. Initial jobless claims fell by 3,000 to 201,000 in the week ending September 15, this marks the lowest level since November 1969. Continuing jobless claims fell 55,000 to 1.65 million. In Asia today, as I write the Nikkei is at +0.90%, the Shanghai composite is at +0.98%, the Hang Seng is at +0.93%, and the ASX S&P 200 is at +0.22%. Tonight we have Markit manufacturing PMI (flash) and Markit Services PMI (flash) out of both the US and the Eurozone.

PRECIOUS

Gold and silver post modest gains on broad USD weakness in a range-bound session. Gold opened at \$1203 in Asia and traded up to \$1206 after China came in. The SGE premium eased to \$4-5 which capped the market. The metal saw a sweep down to the opening levels as London came in, and was sold to the day’s low of \$1201 during the AM session. Gold rebounded into the NY open as the greenback came under broad selling pressure, posting a session high \$1207 in early trading. There was another dip



during the afternoon but the yellow metal recovered to close near the highs at \$1206. Silver tested the previous session highs in early trading before being sold off. The grey metal recovered through NY hours to close in front at \$14.27. Another strong session for the PGMs, palladium printed a high of \$1054 while platinum reached \$834. In Asia today, gold opened at \$1206.70 and ticked up to a week high \$1209.70 in early trading. The SGE premium was firmer at \$6 over loco London. The yellow metal has been consolidating around \$1208 through the afternoon and sits at \$1208.80 as I write. Silver opened at \$14.29 and is slowly grinding higher through the day, the grey metal is currently at \$14.38. PGMs appear to be taking a breather after an impressive week, both platinum and palladium have traded sideways today. Have a good day ahead.

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