



## MKS PAMP GROUP

### Daily Asia Wrap

23<sup>rd</sup> January 2018

Range Asian Hours  
(from Globex open)

	<b>GOLD</b>	<b>SILVER</b>	<b>PLATINUM</b>	<b>PALLADIUM</b>
<b>OPEN</b>	1333.30/70	16.97/00	997/00	1097/99
<b>HIGH</b>	1336.50/90	17.04/07	999/02	1099/01
<b>LOW</b>	1332.60/00	16.96/99	991/94	1095/97
<b>LAST</b>	1335.80/20	17.01/04	993/96	1096/98

#### MARKETS/MACRO

US President Donald Trump signed a short term spending bill that will ensure the government is funded through to 8th February. Senate Democrats agreed to support the legislation in exchange for the promise of a future Senate vote on immigration, US equities pared early losses to finish ahead on the news that the Senate had voted 81-18 to pass the funding bill. The three major bourses posted fresh record highs, the Dow added 142.88 points, or 0.55%, to 26,214.60; the S&P 500 put on 22.67 points, or 0.81% to 2,832.97, while the Nasdaq climbed 71.652 points, or 0.98%, to 7,408.032. There were big wins for telecoms (+2.35%), energy (+2.10%), while materials (-0.21%) led the laggards. European shares were mixed, the EuroSTOXX rose 1.23 points, or 0.31%, to 402.11, the German DAX gained 29.24 points, or 0.22%, to 13,463.69, and the London FTSE 100 shed 15.35 points, or 0.20%, to 7,715.44. In the currencies, the US dollar index eased 0.18% to 90.407, the EUR traded up to 1.2263, while USD/JPY was as high as 111.18. US treasury yields were mixed, the 2 year yield rose 0.03 bps to 2.0650% and the 10 year yield lost 0.17 bps to 2.6575%. In commodities news, oil prices were higher as Brent added 0.76% to \$69.13 and WTI firmed 0.19% to \$63.49. Base metals were mostly higher, with aluminium (+1.31%) the biggest mover. In US economic data, the Chicago Fed National Activity Index rose to 0.27 in December from a downwardly revised 0.11 in November. In Asia today, as I write the Nikkei is at +0.90, the Shanghai composite is at +0.64%, the Hang Seng at +1.14%, and the ASX S&P 200 is at +0.75%. Tonight we have the ZEW Economic Sentiment Index and Consumer Confidence (Flash) out of the Eurozone.

#### PRECIOUS

Range-bound session for the precious as investors digest the news out of Washington. Gold opened at \$1334 in Asia before dipping to hover around \$1330-32 through the afternoon. The SGE premium was elevated at \$8-9 though this only translated to fairly modest buying out of China. The market dipped below \$1330 just prior to the London open but quickly recovered to trade around \$1331-3 through the AM session. News of the government shutdown ending sent USD/JPY rocketing through 111 in early NY hours, but the yellow metal managed to hold well around \$1331 and finish up at \$1335. Silver had a slightly choppy run to finish right on the psychological \$17 level. The biggest moves of the day were in the PGMs, platinum was dumped through the \$1000 level during NY hours to a close at \$996, while palladium was sold heavily to the days low of \$1084 before an impressive bounce up to \$1095. The Philadelphia gold and silver index added 0.38%. The SPDR gold trust holdings were unchanged at 846.67 metric tonnes. In today's trading, gold picked up a few dollars off the open to trade around \$1335-36, with the SGE premium is around \$7-8 over loco London. The yellow metal is at \$1335.80 as I write. Silver is trading back above the \$17 level, the grey metal sits at \$17.01 as I write. PGMs are flat. Gold should see first support level at overnight low of \$1331, with initial resistance expected at the recent highs of \$1343 closely followed by the psychological \$1350 mark, a consolidation above that level could be the signal for a push higher. Have a good day ahead.



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