



MKS PAMP GROUP

Daily Asia Wrap

27th April 2018

Range Asian Hours
(from Globex open)

	GOLD	SILVER	PLATINUM	PALLADIUM
OPEN	1317.00/40	16.51/54	904/07	984/86
HIGH	1318.10/50	16.54/57	908/11	988/90
LOW	1315.60/00	16.48/51	901/04	983/85
LAST	1316.50/90	16.50/53	904/07	984/86

MARKETS/MACRO

US equities finished higher on some strong quarterly earnings results. The tech sector got a huge boost from Facebook, shares in the company jumped 9.1% on the back of March quarter earnings that were well ahead of forecasts. The Dow rose 238.51 points, or 0.99%, to 24,322.34, the S&P 500 added 27.54 points, or 1.04% to 2,666.94, while the Nasdaq gained 114.940 points, or 1.64%, to 7,118.677. There wins for tech (+2.27%), consumer discretionary (+1.59%) and energy (+1.50%), while telecoms (-3.23%) led the laggards. European equities were higher, the EuroSTOXX advanced 3.58 points, or 0.94%, to 383.75, the German DAX put on 78.17 points, or 0.63%, to 12,500.47, and the London FTSE 100 rose 42.11 points, or 0.57%, to 7,421.43. In the currencies, the US dollar index firmed 0.44% to a 4 month high of 91.575 and represents a break of the downtrend from the March, April, November and December 2017 highs. The EUR traded down to 1.2095, while USD/JPY was as high as 109.40. US treasury yields were lower, the 2 year yield eased 0.61 bps to 2.4817% and the 10 year yield fell 4.5 bps to 2.9809%. In commodities, oil prices were higher as Brent rose 1.05% to \$74.78 and WTI ticked up 0.16% to \$68.16. Base metals were mixed, with aluminium (+1.34%) the biggest mover. In US economic data, durable goods orders rose 2.6% in March on the back of a large increase in contracts for Boeing aeroplanes. Durable goods orders ex-transport was flat. Core capital goods orders fell 0.1% in March following a downwardly revised 0.9% increase in February. The trade deficit in goods shrunk 10.3% to \$68 billion in March as per the US governments advanced report, this is the first time the deficit has narrowed in 7 months. Initial jobless claims fell by 24k to 209k in the week ending 21st April, while continuing claims fell 29k to 1.84M. In Asia today, as I write the Nikkei is at +0.42%, the Shanghai composite is at -0.78%, the Hang Seng at +0.19%, and the ASX S&P 200 is at +0.48%. Tonight we have GDP, employment cost index, and consumer sentiment index out of the US; consumer confidence, business confidence, industrial sentiment, services sentiment, economic sentiment and consumer inflation expectations out of the Eurozone; and GDP and unemployment out of Germany.

PRECIOUS

Tough session for the precious with gold looking shaky in the face of broad support for the greenback. Gold opened at \$1322 and traded a tight \$3 range through Asian hours. The SGE premium was at \$8-9 over loco London, Chinese buying helped squeeze the market to a high of \$1325 just before the London open. The London AM session was choppy as volatility crept into the currency markets. The yellow metal plunged to a fresh April low of \$1315 in early NY hours as the USD caught a bid. Gold finished close to the lows at \$1316, closing below the 100 DMA for the first time since December of last year. Silver dropped to a low of \$16.41 before finishing in the red at \$16.50. Palladium was the best performer, surging \$27 off the low to print a high of \$992. The Philadelphia gold and silver index rose 0.07%. SPDR gold trust holdings were unchanged at 871.20 metric tonnes. In Asia today, gold has remained within the \$1315-18 range in quiet trading. The SGE premium is higher at \$9-10 over loco London. The yellow metal is at \$1316.50 as I write. Silver has been range-bound, the grey metal sits at \$16.50 as I write. PGM's are flat. Gold is looking weaker



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after the close below the 100 DMA, if the US dollar remains bid we could see a test of the psychological \$1300 level. On the upside, last nights high of \$1325 should provide some resistance. Have a good day ahead.

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