



MKS PAMP GROUP

Daily Asia Wrap

6th March 2018

Range Asian Hours
(from Globex open)

	GOLD	SILVER	PLATINUM	PALLADIUM
OPEN	1319.90/30	16.41/44	957/60	982/84
HIGH	1322.80/20	16.46/49	963/66	988/90
LOW	1319.90/30	16.41/44	957/60	982/84
LAST	1322.10/10	16.43/46	961/64	986/88

MARKETS/MACRO

US equities rallied as fears of a global trade war receded. The Dow rose 336.70 points, or 1.37%, to 24,410.03; the S&P 500 added 29.69 points, or 1.10% to 2,720.294, while the Nasdaq gained 72.84 points, or 1.00%, to 7,330.70. Utilities (+1.95%) and financials (+1.37%) led a broad advance in the markets. European shares were higher, the EuroSTOXX put on 3.83 points, or 1.04%, to 370.87, the German DAX advanced 177.16 points, or 1.49%, to 12,090.87, and the London FTSE 100 rose 46.08 points, or 0.65%, to 7,115.98. In the currencies, the US dollar index firmed 0.16% to 90.075, the EUR was as low as 1.2276, while USD/JPY traded up to 106.23. US treasury yields were mixed, the 2 year yield lost 0.2 bps to 2.2398% and the 10 year yield rose 2.2 bps to 2.8863%. In commodities news, oil markets were higher following a reported fall in US crude stocks, Brent added 1.90% to \$65.5 while WTI gained 2.27% to \$62.64. Base metals were mostly lower, with zinc (-1.76%) the big mover. In US economic data, the ISM non-manufacturing index eased 0.4 points to 59.5 in February from a 55.9 reading in January. The services sector measure fell 6.6 points to 55 while the new orders reading rose 2.1 points. The IHS Markit services PMI rose to 55.9 in February from 53.3 in January, while the composite output index rose to 55.8 from 53.8. In Asia today, as I write the Nikkei is at +2.12%, the Shanghai composite is at +0.07%, the Hang Seng at +1.22%, and the ASX S&P 200 is at +1.22%. Tonight we have factory orders out of the US; retail PMI from the Eurozone; and construction PMI from Germany.

PRECIOUS

A subdued session for the precious as gold remains range-bound. Gold opened at \$1323 and crept up to \$1326 as the \$8 SGE premium prompted light buying out of China. We saw the days high of \$1327 just after the opening bell in London, but it was all downhill from here. US equities shrugged off trade war concerns and made a push higher on the positive economic data, while the yellow metal gave up the gains in Asia to print the \$1317 low. A modest bounce into the close saw gold finish the session at \$1320. Silver reached a high of \$16.59 in during Asian hours before sinking to the overnight low at \$16.36. Palladium looked like testing the \$1000 level early on before being sold to Friday's low at \$978. The Philadelphia gold and silver index added 0.44%. In today's trading, a mild bid tone in the gold market as we see some buying action from China with the SGE premium at \$8 over loco London. Today's high was \$1322.80 and the yellow metal is at \$1322.10 as I write. Silver has been range-bound during Asian hours, the grey metal sits at \$16.43 as I write. PGM's are creeping higher, platinum and palladium are at \$962 and \$986 respectively. We are expecting gold should find support at \$1316-17 and the all important \$1300 level (which coincides with the 100 DMA) below that. On the upside, initial resistance at the week-high \$1327 printed last night followed by broad resistance between \$1335-40. Have a good day ahead.



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