



MKS PAMP GROUP

Daily Asia Wrap

12th February 2018

Range Asian Hours
(from Globex open)

	GOLD	SILVER	PLATINUM	PALLADIUM
OPEN	1315.90/10	16.34/36	963/65	980/82
HIGH	1326.70/90	16.48/50	972/74	990/92
LOW	1314.50/70	16.31/33	963/65	980/82
LAST	1323.80/00	16.44/46	969/71	980/82

MARKETS/MACRO

With a lack of economic data for direction, equity markets in the U.S. ended a volatile week with a positive session as each of the major benchmarks ended higher. Following early session weakness the DJIA recovered in the final hours of trade to book a +1.38% gain at 24,190.90 points, however on a weekly basis the bourse put in its worst performance since January 2016 to hand back -5.2%. The S&P 500 posted a +1.49% gain to 2619.55 points as technology (+2.53%) led 10 of eleven sectors higher, however much the same as the DJIA, the bourse closed the week -5.2% lower. The Nasdaq Composite tacked on +1.44% on Friday, however over the week the bourse ended -5.1% down to book the worst week since February 2016. From a flow perspective, last week saw the largest weekly outflow on record to the tune of nearly USD \$33 billion, while trading volumes over the week notched the highest level since August 2011 according to Wall Street Journal Digital Data. Treasury yields eased from recent highs as the stock market regained its footing to head higher. The two-year note slid around 7bps to around 2.06%, marking the largest single session decline since June 2016, while the 10-year pulled back around 2.2bps to around 2.83% after Monday's four-year high of 2.88%.

PRECIOUS

Bullion ripped higher during Asian trade on Monday, turning sharply bid on the Chinese open as the greenback came under pressure. After muted early session interest, the metal tested resistance toward USD \$1,320 on the Shanghai open, before further dollar declines saw stops around the figure trigger and propel the market to a USD \$1,326.90 high. We saw only modest demand out of China during the session as they head into New Year celebrations later this week, rather the move hinged on dollar weakness driving stop loss runs through USD \$1,320 and to a lesser extend a brief spike above USD \$1,325. Bullion will be targeting a sustained move through USD \$1,325 to test toward last weeks resistance around USD \$1,330 - \$1,335. Underlying support continues to be evident toward USD \$1,310 - \$1,315. Recent positioning data indicates a further short build up in silver, which may see the metal susceptible to squeeze higher should the greenback remain under pressure. The grey metal will be targeting an initial move above USD \$16.50 for an extension toward USD \$16.75 - \$16.80 and above this USD \$17.00. Palladium performed strongly today to head back toward USD \$1,000 and regain a decent premium against platinum, with recent data suggesting a reduction in long positioning in what should be viewed as a healthy lightening.



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