



## MKS PAMP GROUP

### Daily Asia Wrap

19<sup>th</sup> February 2018

Range Asian Hours  
(from Globex open)

	<b>GOLD</b>	<b>SILVER</b>	<b>PLATINUM</b>	<b>PALLADIUM</b>
<b>OPEN</b>	1346.60/80	16.66/68	1006/08	1044/46
<b>HIGH</b>	1351.70/90	16.72/74	1012/14	1049/51
<b>LOW</b>	1346.30/50	16.64/66	1004/06	1044/46
<b>LAST</b>	1347.50/70	16.67/69	1012/14	1048/50

#### MARKETS/MACRO

U.S. housing starts rebounded during January, jumping +9.7% MoM (exp: +3.5%) to a seasonally adjusted annual rate of 1.326 million units (exp: 1.234 million). The print was supported by strength across single-family housing, while building permits surged to the highest level since June 2007, gaining +7.4% MoM (exp: Flat) to an annual rate of 1.396 million (exp: 1.3 million). The U.S. import price index increased +1.0% MoM during January (exp: +0.6%) to follow a +0.2% gain the month prior. Prices saw broad gains led by oil, while excluding petrol, prices gained +0.5% (exp: +0.1%) from a flat read during December. On an annualised basis prices increased +3.6% (exp: 3.0%) from 3.2% previously. The University of Michigan's gauge of consumer sentiment in the U.S. edged modestly higher during February, printing 99.9 (exp: 95.5), to mark the second highest reading in 14 years. Both current conditions and expectations recorded strong increases. Equity markets in the U.S. finished Friday generally higher, seeing both the DJIA and S&P 500 to their sixth consecutive session gain. The announcement by Special Counsel Robert Mueller accusing 13 Russian nationals and three Russian entities of interfering in the U.S. elections did however see late session volatility, dragging the major bourse's away from session highs. The DJIA closed +0.08% higher at 25,519.38 points, while the S&P 500 tacked on +0.04% to 2,732.22 points and the Nasdaq handed back -0.23% at 7,239.465. On a weekly basis the DJIA gained +4.3% to mark the best weekly performance since November 2016, matched a by a +4.3% jump by the S&P 500 for the best weekly result since January 2013.

#### PRECIOUS

Concerns over inflation and a softer greenback kept bullion buoyant last week, with the yellow metal extending to a near 3-week high on Friday to book the best weekly result in over 12-months. We saw modest early Asian selling during Friday's session, albeit amid light volumes with most of the region on holiday. Further dollar weakness, notably against the yen underpinned the metal throughout the afternoon, attempting several breaks above USD \$1,360 into European trade, before briefly pushing above the figure to print the session high of USD \$1,361.80. U.S. interest saw the metal pull back from the European highs, with a reversal to the dollar (potential position squaring into President's Day) weighing upon bullion and testing through USD \$1,350 in late session trade. The latest COTR shows a healthy correction to gold positioning, while notably both palladium and silver sit toward last year's lows. Asia kicked off the week in muted fashion as China continues to celebrate the New Year, generally tracking either side of the key USD \$1,350 pivot point. A mild offered bias to the greenback saw a brief test through the figure, however the metal spent the afternoon toward the session low of USD



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\$1,346.30 as the DXY index regained the 89.00 handle. Expect price action to remain limited today on account of the U.S. holiday, with moves toward USD \$1,345 likely to see support to keep bullion range-bound.

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