



## MKS PAMP GROUP

### Daily Asia Wrap

1<sup>st</sup> February 2018

Range Asian Hours  
(from Globex open)

	<b>GOLD</b>	<b>SILVER</b>	<b>PLATINUM</b>	<b>PALLADIUM</b>
<b>OPEN</b>	1345.60/80	17.33/35	1001/03	1030/32
<b>HIGH</b>	1346.85/05	17.38/40	1003/05	1035/37
<b>LOW</b>	1341.10/30	17.26/28	995/97	1024/26
<b>LAST</b>	1341.10/30	17.26/28	997/99	1027/29

#### MARKETS/MACRO

As widely expected, the FOMC decided to keep short-term interest rates on hold on Wednesday, staying within the 1.25% - 1.50% range. The meeting was the last chaired by Janet Yellen as she hands over the reins to Jerome Powell who is scheduled to be sworn in on Monday. The committee indicated a March interest rate increase is still very much on the table, as the post-meeting policy statement struck a hawkish tone with members confident the inflation rate will stabilise around the 2% objective over the medium term. ADP employment data released on Wednesday showed a further 234k jobs added during January (exp: 185k), with the services sector once again underpinning the headline figure to contribute 212k positions. Additions by business size were broadly even as mid-sized business gained 91k, large size business added 85k and small business contributed 58k. Within the services sector, information (-3k) was the only negative contributor as trade, transportation and utilities increased 51k, while professional and business (46k), education and health (47k) and leisure and hospitality (46k) all reported strong gains. U.S. pending home sales edged higher during December, adding +0.5% MoM (exp: +0.5%) to follow a +0.3% increase the month prior. Equity markets in the U.S. rebounded from recent weakness on Wednesday, however the main indices endured volatile trade following a strong open. The DJIA closed the session +0.28% higher at 26,149.39 points, while the S&P 500 crept into positive territory (+0.05%) as real estate stocks (+1.6%) helped to outweigh declines to healthcare stocks (-1.49%). The greenback saw mixed trade on Wednesday, recovering from Asian-led weakness during afternoon trade in New York following supportive commentary out of the FOMC meeting. The DXY index ended the session modestly higher after the dollar booked a sustained break above 109.00 against the yen, while EUR/USD dipped below 1.24 after trading to an intra-session high of 1.2475.

#### PRECIOUS

Bullion held within the recent range amid whippy trade on Wednesday, breaking to a USD \$1,332.50 session low around the FOMC decision on dollar strength, before ripping higher into the close and testing the recent resistance toward USD \$1,350. The yellow metal was able to hold onto late session gains and settle around USD \$1,345 for a +0.5% result, seeing further strength tempered somewhat by bid U.S. equity markets and layered offers throughout the broad USD \$1,345 - \$1,350 resistance level. Asian trade on Thursday saw mixed price action following the New York volatility, with bullion initially seeing strength amid a softer dollar. Shanghai continued to see interest toward USD \$8 above London bullion, however heavy trade through Comex weighed upon the price action around the Chinese open to



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test a break of USD \$1,340, before modest bids throughout the afternoon saw bullion recapture the majority of the early Shanghai weakness. The yellow metal continues to see firm interest with volumes passing through Comex notably elevated, however thus far has been unable to make a sustained move outside of the USD \$1,335 - USD \$1,350 range. Offers toward USD \$1,350 are likely to restrict further top-side gains over the near term in lieu of major dollar moves, while in addition, producer interest around this level continues to weigh upon the price action. Data releases today include U.S. initial jobless claims, Bloomberg U.S. consumer comfort, Markit U.S. manufacturing PMI, U.S. construction spending and ISM U.S. manufacturing.

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