



MKS PAMP GROUP

Daily Asia Wrap

20th February 2018

Range Asian Hours
(from Globex open)

	GOLD	SILVER	PLATINUM	PALLADIUM
OPEN	1347.20/40	16.66/68	1006/08	1034/36
HIGH	1348.10/30	16.68/70	1007/09	1034/36
LOW	1339.20/40	16.54/56	1002/04	1031/33
LAST	1339.80/00	16.54/56	1003/05	1032/34

MARKETS/MACRO

Global markets traded in a subdued fashion on Monday with the U.S. on leave for the President's Day Holiday. U.S. equity future eased modestly, while the greenback rose modestly against majors to see the DXY index end around +0.15% higher. European stock markets traded under pressure on Monday, handing back some of Friday's gains amid light volumes. The Stoxx Europe 600 closed the session -0.63% lower at 378.24 points, while the German Dax pulled back -0.53% to 12,385.60 points. In the U.K. the FTSE 100 ended -0.64% lower at 7,247.66 points as consumer goods heavyweight Reckitt Benckiser Group PLC collapsed -7.51% after announcing flat like-for-like 2017 sales, while mining stocks traded lower following an announcement by the U.S. Government late on Friday that it's considering tariffs to curb imports of steel and aluminium. Oil futures turned higher on Monday, as concerns over tensions in the Middle East continued to support prices and Saudi Energy Minister Khalid Al-Falih stated that producers should keep production cuts in place for the whole year. WTI added around +1.3% to USD \$62.35 per barrel to follow last week's +4.2% return, while Brent crude ended +1.1% higher at USD \$65.56 per barrel after a +3.3% jump last week.

PRECIOUS

A modest offered bias for gold on Monday, as an early Asian push above USD \$1,350 was short lived and the metal spent the remainder of the session trickling lower. The price action generally followed dollar flows in thin U.S. holiday trade, with short-term spec interest weighing upon the metal as it pulled away from USD \$1,350. Underlying interest toward the recent low of USD \$1,345 kept the price action buoyant within a narrow range into the early close, seeing bullion shed around -0.2% to end at USD \$1,346.60. Downwards pressure on the metal accelerated during Asian trade on Tuesday, with the dollar continuing its recent upward trajectory. The greenback made notable gains against the safehaven yen, extending to a 106.95 session high to add +0.33%. With China still on leave due to New Year celebrations, there was little interest in Asia to stop bullion moving through the recent support level of USD \$1,345, however moves to the down-side continue to remain shallow and bids toward USD \$1,340 kept further declines in check. Should we see further dollar appreciation, expect to see support broadly around USD \$1,330 - \$1,335 tested, while topside resistance cuts in initially around \$1,345, with



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stronger resistance at USD \$1,350. Silver extended recent declines in Asia today to test toward USD \$16.50, while platinum eased toward USD \$1,000 and palladium held a narrow range.

Data releases today include German ZEW survey results and Eurozone consumer confidence.

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