



MKS PAMP GROUP

Daily Asia Wrap

5th February 2018

Range Asian Hours
(from Globex open)

	GOLD	SILVER	PLATINUM	PALLADIUM
OPEN	1330.60/80	16.58/60	991/93	1043/45
HIGH	1333.70/90	16.73/75	992/94	1043/45
LOW	1329.50/70	16.56/58	987/89	1034/36
LAST	1332.10/30	16.73/75	991/93	1034/36

MARKETS/MACRO

Jobs data released out of the U.S. on Friday showed an addition of 200k payrolls during January (exp: 180k) to follow an upwardly revised 160k the month prior. The jobless rate held at 4.1% to match the lowest rate since 2000, while average hourly earnings increased +0.3% MoM (exp: +0.2%) to see the annualised figure to +2.9% YoY, the strongest print since 2009. Factory orders in the U.S. outpaced expectations during December to increase +1.7% (exp: +1.5%) from an upwardly revised +1.7% during November (prev: +1.3%). U.S. equities tumbled on Friday to continue recent weakness, seeing the DJIA underneath 26,000 to mark the worst points decline in a session since December 2008. The bourse ended the session -2.54% lower at 25,520.96 points to book a -4.1% weekly decline, while the S&P 500 saw all eleven components end in negative territory as the bourse ended -2.12% down on the session and -3.9% on the week. The greenback saw broad-based gains on Friday following the U.S. jobs data, with the DXY spiking +0.65%.

PRECIOUS

Following Friday's volatile U.S. session, bullion held a relatively narrow range to start the week in Asia as the recent dollar rally took time out to consolidate gains. The yellow metal handed back around -1.2% last week after breaking to Friday's low of USD \$1,327.50, testing top-side resistance at USD \$1,350 on multiple occasions over the week, however sent ultimately lower at the hands of a bid dollar and higher treasury yields. Early session weakness on Monday around the Chinese open saw bullion briefly test underneath USD \$1,330 with little change to the on-shore premium, while afternoon pricing saw a modest pick-up in interest, however still hold rangebound. Vols have firmed marginally, however continue to remain low with 1m sitting around 10.3, 3m at 10.8 and 1 year just over 12. ETF's reported out-flows on Friday of around 100k ounces, while the latest COTR indicates a lightening in gold positioning as longs head for the exit. Expect broad support underneath USD \$1,330 to USD \$1,325 and at USD \$1,315 below this, while resistance cuts toward USD \$1,345.

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