



MKS PAMP GROUP

Daily Asia Wrap

10th January 2018

Range Asian Hours
(from Globex open)

	GOLD	SILVER	PLATINUM	PALLADIUM
OPEN	1311.60/80	16.95/97	965/67	1101/03
HIGH	1312.40/60	16.97/99	965/67	1101/03
LOW	1308.30/50	16.91/93	958/60	1094/96
LAST	1310.00/20	16.93/95	960/62	1096/98

MARKETS/MACRO

South Korean and North Korean officials agreed to hold talks regarding easing military tensions at a meeting on Tuesday. In the first face-to-face meeting in more than two years in the border town of Panmunjom, the parties announced via a joint statement, "South and North Korea have decided to make joint efforts for the unity of the people and reconciliation by establishing an environment for peace and easing military tensions on the Korean Peninsula," The latest JOLTS report showed job openings in the U.S. declined to a six-month low during November, however still remained at an elevated 5.88 million (exp: 6.03 million) to follow 5.93 million in October. Equity markets in the U.S. finished at fresh record closing levels on Tuesday, seeing both the S&P 500 and the Nasdaq to their sixth consecutive session gain. The DJIA tacked on +0.41% to 25,385.80 points, while strength across healthcare and financials helped support the S&P 500 +0.13% higher to 2,751.29 points. Oil futures extended gains for a second successive session on Tuesday, buoyed by expectations of an eighth-straight weekly drop to U.S. crude inventories. WTI ended trade around +2% higher at USD \$62.96 per barrel, while Brent crude gained +1.5% to USD \$68.82 per barrel. The greenback advanced on Tuesday to build upon Monday's strength, however saw gains tempered somewhat against the Yen after the Bank of Japan announced it would trim purchases of government bonds with maturities of 10 years to 25 years. The DXY index increased just over +0.2% on the session, booking notable gains against the pound and the euro, while USD/JPY ended the session -0.45% lower. Equities in the U.K. pushed to a fresh record closing high on Tuesday, buoyed by retailers following strong Christmas sales results. The FTSE 100 ended trade +0.45% higher at 7,731.02 points, seeing further support from a softening pound. Strong German industrial production figures helped to underpin gains across the Eurozone as the German Dax ended +0.13% higher, while the Stoxx Europe 600 climbed +0.43%

PRECIOUS

Gold continued to slide during Asian trade today following Monday's weakness, albeit held within a tight range as modest declines to the Greenback helped to restrict further losses. Bullion opened with an offered bias to test underneath USD \$1,310 in early session flows, however was able to hold the previous session low toward USD \$1,308 leading into the USD/CNY fix. Strength across both onshore and offshore yuan weighed upon the dollar throughout afternoon pricing to underpin a mild bid tone to bullion, however offers above USD \$1,310 saw the metal modestly lower heading into European hours.



MKS PAMP
GROUP

Gold vols have softened in recent session, with 1m now sitting under 9. Expectations are bullion will continue to trade under pressure in the near-term as the dollar recovery continues and equities reach fresh records. Initially we look to USD \$1,308 as support, however the key pivot point is undoubtedly USD \$1,300, with extension toward the 100 DMA at USD \$1,290 should weakness persist. Any moves higher toward USD \$1,320 - \$1,325 will likely see participants sell rallies to restrict any moves through the recent range. Data releases today include French and U.S. industrial / manufacturing production, U.K. trade balance and U.S. MBA mortgage applications.

Although the information in this report has been obtained from and is based upon sources MKS believes to be reliable, we do not guarantee its accuracy and it may be incomplete or condensed. All opinions and estimates constitute MKS' judgment as of the date of this report and are subject to change without notice. This report is for informational purposes only and is not intended as investment advice, offer or solicitation for the purchase or sale of an investment. This report does not consider or take into account the investment objectives or financial situation of a particular party.