



## MKS PAMP GROUP

### Daily Asia Wrap

25<sup>th</sup> January 2018

Range Asian Hours  
(from Globex open)

	<b>GOLD</b>	<b>SILVER</b>	<b>PLATINUM</b>	<b>PALLADIUM</b>
<b>OPEN</b>	1357.90/10	17.55/57	1014/16	1108/10
<b>HIGH</b>	1366.00/20	17.68/70	1022/24	1115/17
<b>LOW</b>	1356.50/70	17.47/49	1014/16	1108/10
<b>LAST</b>	1359.10/30	17.50/52	1015/17	1108/10

#### MARKETS/MACRO

House prices in the U.S. increased modestly during November according to the latest report from the FHFA, rising +0.4% MoM (exp: +0.5%) to follow an upwardly revised +0.6% increase the month prior (prev: +0.5%). Existing home sales in the U.S. declined by more than expected during December, sliding -3.6% MoM (exp: -1.9%) to annualised rate of 5.57 million (exp: 5.70 million). The December print was reportedly a result of a decline in the number of previously owned homes on the market, falling -11.4% to 1.48 million to mark the lowest level since January 1999. The Markit U.S. manufacturing PMI (flash) edged higher during January, printing a 34-month high of 55.5 (exp: 55.0) from 55.1 during December. The services PMI print meanwhile drifted modestly lower, easing to 53.3 (exp: 54.3) from 53.7 previously. U.S. equity markets endured a wild ride on Wednesday to end mixed as the DJIA pushed to a fresh record close, while weakness across technology stocks dragged the S&P 500 and the Nasdaq lower. The DJIA climbed into positive territory late in the session to end +0.16% higher at 26,252.12 points, while the S&P 500 eased just -0.06% to 2,837.54 points and the Nasdaq Composite shed -0.61% to 7,415.059 points. The Greenback continued to decline on Wednesday to see the DXY index slump below 90 for the first time since December 2014. Comments from U.S. Treasury Secretary Steven Mnuchin were the catalyst for the fresh sell-off. Speaking at the World Economic Forum in Davos, Switzerland, Mnuchin said that a weaker greenback “is good for us as it is related to trade and opportunities.”

#### PRECIOUS

Bullion extended recent gains on the back of the Mnuchin-led dollar weakness on Wednesday, importantly breaking above key resistance levels to end the session +1.3% higher. Gold volumes across Comex were close to double that of the average as the metal broke through the key USD \$1,350 and \$1,358 resistance levels to a USD \$1,362.00 session high print. ETF holdings continue to increase and are sitting at the highest levels since 2013, while we also see large open interest around the USD \$1,350 strike level for the upcoming expiry, which should help to keep prices buoyant over the near-term. It was a similar story in Asian trade on Thursday as gold pushed through Wednesday’s New York high print as the greenback slumped to new lows. USD/China currencies collapsed to see the on-shore premium toward USD \$9 relative to loco-London bullion and the metal was able to print a USD \$1,366 session high before European names opened on the offer as the dollar gain traction. Resistance for the yellow metal cuts in toward USD \$1,370, while supportive price action should sit broadly between USD \$1,345 -



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\$1,350. Silver's recent malaise relative to gold looks to have ended with the metal climbing a staggering 3.3% on Wednesday. The grey metal was able to break out of a recent downtrend that cut in toward USD \$17.40 and will now look to target resistance at USD \$18.20 (Aug 2017 high) and USD \$18.65 (April 2017 high).

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