



MKS PAMP GROUP

Daily Asia Wrap

19th March 2018

Range Asian Hours
(from Globex open)

	GOLD	SILVER	PLATINUM	PALLADIUM
OPEN	1314.40/60	16.30/32	950/52	996/98
HIGH	1314.50/70	16.30/32	950/52	996/98
LOW	1309.50/70	16.24/26	943/45	990/92
LAST	1309.50/70	16.24/26	943/45	994/96

MARKETS/MACRO

Housing starts in the U.S. collapsed -7.0% (exp: -2.7%) in February to follow an upwardly revised +10.1% gain (prev: +9.7%) in January. The decline saw the seasonally adjusted rate slide to 1.236 million (exp: 1.290 million) from 1.329 million previously. The print was largely a result of a -26.1% fall to multi-family construction, while single-family starts edged +2.9% over the month. Residential building permits slipped -5.7% MoM during February to follow a downwardly revised +5.9% print in January (prev: +7.4%). Industrial production in the U.S. jumped +1.1% during February (exp: +0.4%), marking the largest increase in four-months and largely led by a +4.3% increase in mining production. Capacity utilisation pushed to 78.1% from 77.4% previously, the highest figure since January 2015. Equity markets in the U.S. edged higher on Friday, benefitting from generally positive data releases to see the S&P 500 to snap a four-session losing streak. The bourse added +0.17% to 2,752.01 points with energy (+1.01%) leading nine of eleven sectors higher, while the DJIA ended +0.29% higher to 24,946.51 points. Over the week the S&P 500 posted a -1.2% decline, while the DJIA handed back -1.5%. The greenback saw mixed price action on Friday, however ultimately ended the session with a modest gain as to DXY index ended +0.1% higher.

PRECIOUS

Gold price action on Monday showed little to encourage participants that the metal is preparing to break outside of its recent range. The yellow metal skewed marginally to the down-side in early flows to test toward Friday's low print, however benefitted from a USD \$9 premium in China to restrict any further tests of the USD \$1,310 support level during Shanghai's first session. Bullion turned lower once again as the far East returned from lunch, placing further pressure on support around USD \$1,310 with little in the way of dollar moves to impart further downwards pressure. As we head toward this weeks' FOMC rate decision, we may see market support for the greenback weigh heavily upon bullion to test the lower end of the recent range. Expect interest around the early March low of USD \$1,303 and the 100 DMA of USD \$1,305 to remain supportive for the metal, while the key USD \$1,300 level is likely to also see strong interest.



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Any extensions though these levels will open a test toward the 200 DMA at USD \$1,290. Silver continues to trade heavily and looks likely to test toward USD \$16.18 - \$16.20 for the third time since early February, while platinum is through USD \$950 and looking to print a fresh 2018 low.

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