



## MKS PAMP GROUP

### Daily Asia Wrap

20<sup>th</sup> March 2018

Range Asian Hours  
(from Globex open)

	<b>GOLD</b>	<b>SILVER</b>	<b>PLATINUM</b>	<b>PALLADIUM</b>
<b>OPEN</b>	1316.60/80	16.33/35	953/55	990/92
<b>HIGH</b>	1317.90/10	16.33/35	955/57	993/95
<b>LOW</b>	1314.70/90	16.29/31	952/54	989/91
<b>LAST</b>	1316.60/80	16.31/33	952/54	993/95

#### MARKETS/MACRO

Weakness across the tech sector led by Facebook saw equities in the U.S. sharply lower on Monday, taking the DJIA into negative territory for 2018 as each of the 30 DJIA components ended lower. Facebook (-6.8%) traded heavily following reports that political analyst Cambridge Analytica were able to collect data from 50 million profiles without consent. The DJIA declined -1.35% to 24,610.91 points, the S&P 500 saw heavy trade to technology (-2.11%) lead all eleven of the bourse's components lower to close the session -1.42% down at 2,712.92 points, while the tech heavy Nasdaq Composite collapsed -1.84% to 7,344.244 points. The broad market weakness saw the market volatility index, the VIX surge over +20% to 19.02, while at one point extending to a 21.87 high. The greenback traded under-pressure on Monday to see the DXY index decline -0.35%. The dollar traded briefly below 106.00 against the yen, while the pound ripped +0.6% higher to print a one-month high of 1.4088. Treasury yields in the U.S. ended modestly higher on Monday amid mixed trade. The 10-year inched +0.6bps higher to 2.854% and the two-year tacked on 1.7bps to 2.307%.

#### PRECIOUS

A recovering dollar kept a lid of gold price action during Asian trade on Tuesday, with the metal unable to continue Monday's upward momentum. Monday's strong performance came amid falling equity markets and a softer greenback, with bullion rebounding strongly from early European weakness that took the metal underneath USD \$1,310. The yellow metal pushed gradually higher leading into the U.S. open, before the equity market weakness in New York took gold sharply through USD \$1,315 to a session high of USD \$1,319.65. Options are firming with notable interest in near-term upside, seeing 1m vols out to 9.3 and and 3m just underneath 10. Gold net long positioning has lightened in recent weeks to now sits toward the lowest level this year, which should provide room for further top-side gains over the near-term. The overnight break-out point around USD \$1,315 provided support for bullion within a narrow trading range during Asian hours today as physical interest out of China continued to keep price action buoyant. As we head toward Wednesday's FOMC rate decision, bullion has managed to edge away from the early March low of USD \$1,303 and the 100 DMA of USD \$1,305, however both continue to act as strong supportive levels should the greenback see interest dependant upon interest rate rhetoric that



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comes out of the FOMC. Data today includes U.K. CPI, German ZEW survey results and Eurozone consumer confidence.

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