



## MKS PAMP GROUP

### Daily Asia Wrap

14<sup>th</sup> May 2018

Range Asian Hours  
(from Globex open)

	<b>GOLD</b>	<b>SILVER</b>	<b>PLATINUM</b>	<b>PALLADIUM</b>
<b>OPEN</b>	1318.00/20	16.66/68	922/24	990/92
<b>HIGH</b>	1322.10/30	16.72/74	926/28	995/97
<b>LOW</b>	1318.00/20	16.66/68	922/24	990/92
<b>LAST</b>	1321.20/40	16.71/73	926/28	994/96

#### MARKETS/MACRO

The import price index in the U.S. increased +0.3% MoM during April (exp: +0.5%) to follow a downwardly revised -0.2% print in March (prev: flat). The headline print was largely driven by the cost of oil (+1.6%), while excluding fuel, prices increased +0.1%. On an annualised basis import prices increased +3.3% (exp: +3.9%) from a downwardly revised +3.3% (prev: +3.6%). The export price index pushed +0.6% MoM higher during April (exp: +0.4%) to follow a +0.3% increase during March, while on an annualised basis prices increased +3.8% YoY from +3.4% previously. The University of Michigan's measure of consumer sentiment held at 98.8 (exp: 98.3) during May (provisional). The current conditions index eased 1.6 points to 113.3, while the expectations index ticked 1.1 points higher to 89.5. Equity markets in the U.S. ended mostly higher on Friday to see the DJIA to a seventh consecutive session gain, marking the longest winning streak since early November 2017. The DJIA added +0.37% to 24,831.17 points, while the S&P 500 saw strength across telecoms (+2.09%) and healthcare stocks (+1.47%) to end the session +0.17% higher at 2,727.72 points. On a weekly basis the DJIA jumped +2.3% and the S&P 500 booked a +2.4% gain. The Cboe volatility index (VIX) extended its recent decline on Friday, falling for a seventh consecutive session to end -4.38% lower at 12.65. The greenback eased modestly on Friday following the softer than expected U.S. CPI data released on Thursday, seeing the DXY index dip -0.20%. Oil futures ended lower on Friday, however the major benchmarks were able to book a weekly gain following recent uncertainty over supply after the U.S. reinstated sanctions against Iran. WTI ended the session -1.26% lower at USD \$70.50 per barrel, while Brent pulled back -0.66% to USD \$77 per barrel. Over the week WTI posted a +1.4% gain and Brent jumped around +3%.

#### PRECIOUS

The precious complex traded mixed on Friday, however was able to consolidate the previous session gains after seeing support from a softer dollar. Asian trade was a generally muted affair as bullion pulled back a few dollars to trade underneath USD \$1,320, however gains to the euro once London opened weighed upon the greenback and propelled gold back above the level to a USD \$1,325.80 session high in-line with EUR/USD pricing. Late session offers weighed upon the metal in New York, with modest dollar interest taking bullion back underneath USD \$1,320 at the close.



Gold price action was relatively robust during Asian trade on Monday, with the metal pushing above USD \$1,320 in early session trade and extending to a USD \$1,322.10 session high into the Chinese open. The early pricing was well supported by a softer dollar, however the greenback stabilised following the USD/CNY fix and was able to claw back ground throughout the afternoon to restrict any further bullion gains. Geopolitical uncertainty following the U.S. withdrawal from the Iran deal is likely to underpin bullion price action over the near-term, while although the latest CFTC data now shows dollar positioning as net long, expectations are that the greenback has started to pullback from short-term strength as most of the recent short covering has now taken place. Resistance levels for the yellow metal cut in through USD \$1,325 toward both the 50 DMA and the 100 DMA sitting just underneath USD \$1,328. Silver spent Monday consolidating above USD \$16.70 and will target a break of the 200 DMA at USD \$16.80 for a further extension toward USD \$17, while platinum found interest today to add around +0.50% and is likely to benefit from stricter emissions standards over the medium-term.

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