



MKS PAMP GROUP

Daily Asia Wrap

9th April 2018

Range Asian Hours
(from Globex open)

| | GOLD | SILVER | PLATINUM | PALLADIUM |
|-------------|------------|----------|----------|-----------|
| OPEN | 1333.10/30 | 16.42/44 | 917/19 | 906/08 |
| HIGH | 1334.20/40 | 16.43/45 | 920/22 | 907/09 |
| LOW | 1329.90/10 | 16.38/40 | 917/19 | 906/08 |
| LAST | 1331.60/80 | 16.38/40 | 918/20 | 907/09 |

MARKETS/MACRO

Jobs data out of the U.S. on Friday showed nonfarm payrolls increased just 103,000 during March (exp: 185,000) to follow an upwardly revised February print of 326,000 (prev: 313,000). The March print was the lowest monthly figure in six months, while January saw a downwards revision from 239,000 to 176,000. The unemployment rate held at 4.1% (exp: 4.0%) and the broader 'U-6' measure of unemployment and underemployment, which includes those who have stopped looking and those in part-time jobs who want full-time positions eased to 8.0% from 8.2% previously. Average hourly earnings printed in-line with estimates, increasing +0.3% MoM and +2.7% YoY. Equities in the U.S. ended lower on Friday following the soft jobs data and concerns over China – U.S. trade relations. The DJIA came under early pressure on reports that President Trump was considering a further USD \$100 million of tariffs on Chinese goods, opening sharply lower and continuing to trade under pressure for the remainder for the session to end down -2.34% at 23,932.76 points. The S&P 500 didn't fare much better, posting a -2.19% decline to 2,604.47 points as industrials (-2.73%) and technology (-2.53%) led all the bourse's components into negative territory. On a weekly basis the DJIA pulled back -0.7% and the S&P 500 sunk -1.4%. The greenback turned lower on Friday on the back of the weaker U.S. Jobs data, seeing the DXY index slide -0.4% after a notable decline against the yen. The pair touched a 107.49 high on Thursday to mark a near 6-week high, however fell underneath 107.00 on Friday to book a -0.45% fall. Treasury yields declined on Friday as prices pushed higher, seeing the 10-year 5.1bps lower to 2.779% and the two-year 3.2bps lower to 2.274%.

PRECIOUS

Gold ripped higher on Friday following the softer than expected U.S. jobs data, benefitting from a declining greenback to reverse recent weakness and end with a +0.4% gain. Asian interest in thin trade took the metal initially back above USD \$1,330, however with China on leave bullion struggled to find bids to underpin the price action and pulled back from the figure. Gains to the dollar and position lightening leading into the U.S. jobs print saw bullion briefly underneath USD \$1,320, however further 'trade war' related headlines sent the metal around USD \$7 higher leading into the New York open. A softer than expected headline jobs figure saw a strong risk-off tone throughout the market, as equities turned sharply offered and investors fled into treasuries and the precious complex. Gold traded to a USD \$1,335.25 session high before easing modestly into the close. Vols firmed following the price action to see 1m around 10.2, while ETF's registered inflows of approximately 250,000 ounces.



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Asian interest on Monday saw a modest down-side skew, however bullion was generally held within a tight range and saw the USD \$1,330 support respected. China's return provided a level of underlying support for the metal to reverse early session declines after gold eased around USD \$4 to USD \$1,330 leading into the Shanghai open. The on-shore premium in the far East held around USD \$8 - \$9, to see a mild bid across the spot market, however price action would be best described as supportive rather than pushing back toward opening levels. Expectations are that the recent range (\$1,300 - \$1,350) will to continue to be respected, with the metal highly sensitive to trade related headlines.

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