



## MKS PAMP GROUP

### Asia Market Update

4<sup>th</sup> February 2019

Range Asian Hours  
(from Globex open)

	GOLD	SILVER	PLATINUM	PALLADIUM
<b>OPEN</b>	1319.10/30	15.89/91	824/26	1348/53
<b>HIGH</b>	1319.10/30	15.90/92	825/27	1352/57
<b>LOW</b>	1312.00/20	15.80/82	820/22	1346/51
<b>LAST</b>	1313.00/20	15.81/83	821/23	1351/56

#### MARKETS/MACRO

Jobs data out of the U.S. on Friday showed the economy added 304k nonfarm payrolls during January (exp: 165k) to mark the largest increase in close to 12-months. Tempering the print was a sharp downwards revision to December's figure, cut to 222k from 312k previously, the largest monthly revision since 2010. Gains in January were broad based, led by 74k additions within leisure and hospitality, while education and health services added 55k and construction gained 52k. The unemployment rate inched up to 4.0% from 3.9% previously, potentially impacted upon by the government shutdown, while the underemployment rate (U-6) surged to 8.1% from 7.6% previously. Average hourly earnings edged +0.1% MoM higher (exp: +0.3%) during January, while easing to +3.2 YoY from +3.3% previously. The Institute for Supply Management reported manufacturing conditions in the U.S. improved during January, seeing the index jump to 56.6 (exp: 54.0) from 54.3 previously. Equity markets in the U.S. ended generally higher on Friday, buoyed by the unexpectedly strong January payrolls print. The DJIA ended trade +0.26% higher to 25,063.89 points, a weekly return of +1.3% and the S&P 500 added +0.09% to 2,706.53 points, a +1.6% gain on the week. The greenback ticked modestly higher on Friday (DXY +0.06%), buoyed by the positive jobs report, however still impacted upon by the dovish Fed comments earlier in the week. The buck firmed against the yen (+0.54%) and held onto Asian gains relative to the yuan. Markets in Europe finished in positive territory on Friday, however saw gains tempered by weakness in Spain and Italy. The Stoxx Europe 600 ended +0.29% higher at 359.71 points, the German Dax inched +0.07% higher to 11,180.66 points and in London the FTSE 100 gained +0.74% to 7,020.22 points as positive earnings from Royal Dutch Shell took focus away from Brexit developments.

#### PRECIOUS

Gold suffered from a lack of interest during Asian trade today, with China beginning its week long New Year holiday. The yellow metal saw price action skewed to the downside throughout the session, albeit in light flows with less than 20k lots having passed through Globex leading into European hours. A firmer dollar was the main driver of price direction, seeing the greenback notably higher against CNH (+0.34%), while adding further gains against the yen (+0.22%). With Chinese demand removed from the market this week, we expect bullion to test underneath USD \$1,310, with a potential test toward USD \$1,300. The near-term bullish trend should remain intact however, as ongoing geopolitical concerns see bullion continue to find favour as a safe-haven asset. Focus remains on political developments out of the U.S. with President Trump's State of the Union address scheduled for Tuesday, while Brexit developments continue to be closely monitored. Data releases today include Eurozone PPI, U.K. Markit/CIPS construction PMI, U.S. factory orders and U.S. durable goods orders.



**MKS PAMP**  
GROUP

*Although the information in this report has been obtained from and is based upon sources MKS believes to be reliable, we do not guarantee its accuracy and it may be incomplete or condensed. All opinions and estimates constitute MKS' judgment as of the date of this report and are subject to change without notice. This report is for informational purposes only and is not intended as investment advice, offer or solicitation for the purchase or sale of an investment. This report does not consider or take into account the investment objectives or financial situation of a particular party.*