



MKS PAMP GROUP
Asia Market Update
11th December 2018

Range Asian Hours
(from Globex open)

	GOLD	SILVER	PLATINUM	PALLADIUM
OPEN	1244.40/60	14.53/55	783/85	1230/35
HIGH	1245.90/10	14.55/57	784/86	1233/38
LOW	1243.50/70	14.51/53	781/83	1227/32
LAST	1245.10/30	14.55/57	782/84	1230/35

MARKETS/MACRO

Further Brexit turmoil on Monday as British Prime Minister Theresa May abruptly postponed a parliamentary vote on her Brexit deal. Mrs May told parliament that “If we went ahead and held the vote tomorrow, the deal would be rejected by a significant margin,” The main sticking point among politicians is the Northern Ireland ‘backstop’ a provision that is intended to avoid a return to border checks between Northern Ireland and the Irish Republic. In Trump related news, leading Democrats have suggested impeachment or prison time are real possibilities if it is proven that he acted illegally. The incoming chairman of the House Judiciary Committee, Jerry Nadler described the details in prosecutors filings in the case of former Trump lawyer Michael Cohen as evidence that Trump was “at the center of a massive fraud” Further unrest in France has forced President Emmanuel Macron to declare a state of emergency, while also agreeing to a number of economic concessions following weeks of violence.

U.S. equity markets reversed early session declines to finish higher on Monday, with participants putting to one side concerns over U.S. – China trade negotiations and instead focusing on upbeat U.S. economic sentiment. The DJIA reversed a 500-point decline to finish +0.08% higher at 24,423.26 points, while the S&P 500 gained +0.18% to 2,637.72 points and the Nasdaq Composite outperformed on the back of semiconductor stock gains, ending +0.74% higher at 7,020.52 points. The greenback (DXY +0.74%) saw volatile price action on Monday, before ending higher following late session weakness to the pound (GBP/USD -1.22%) on the back of concerns over Brexit. Oil futures settled lower on Monday as concerns over global energy demand continue. WTI slipped -2.55% to under USD \$51 per barrel, while Brent crude dropped -2.8% to just under USD \$60 per barrel. Markets in Europe ended sharply lower after following Wall Street’s early lead in addition to heightened Brexit concerns. The Europe Stoxx 600 posted its worst single-session percentage decline in close to 8-weeks to drop -1.87% to 338.99 points, while the German Dax sunk -1.54% to 10,622.07 points. In London the delayed Brexit vote unnerved participants, weighing upon the FTSE 100 to see the bourse off -0.83% to 6,721.54 points.

PRECIOUS

A softening greenback helped to underpin price action to bullion during Asian trade today, reversing an early session offered bias as interest out of China kept the metal buoyant above USD \$1,245. On-shore demand in Shanghai kept the premium above USD \$6 relative to London gold, however USD/CNH wasn’t able to break underneath 6.90 to entice further interest into the market, with attempted moves through USD \$1,246 met with resistance. On-going trade / political concerns between the U.S. and China, Brexit developments and unrest in France should all provide a supportive environment for gold price action over the near-term. Support initially sits at USD \$1,240, with extension toward USD \$1,235, while resistance



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cuts in above USD \$1,250 and the 200 DMA at USD \$1,255. Silver was able to hold support at USD \$14.50 on Monday and will target a sustained move through USD \$14.60 for a test of the mid-October and early-November USD \$14.85 - \$14.95 area. Platinum pricing remains heavy underneath USD \$800 and it is difficult to see and drivers for a move back above the figure, while palladium remains volatile. Data today includes U.K. employment data, German ZEW survey results and U.S. PPI.

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