



## MKS PAMP GROUP

### Asia Market Update

11<sup>th</sup> September 2018

Range Asian Hours  
(from Globex open)

	GOLD	SILVER	PLATINUM	PALLADIUM
<b>OPEN</b>	1195.80/00	14.16/18	786/88	978/80
<b>HIGH</b>	1196.10/30	14.17/19	787/89	979/81
<b>LOW</b>	1193.00/20	14.10/12	785/87	976/78
<b>LAST</b>	1193.90/10	14.14/16	787/89	978/80

#### MARKETS/MACRO

U.S. stocks ended mixed on Monday, generally supported by a recovery to the tech sector to see both the S&P 500 and the Nasdaq Composite snap a 4-session losing streak. The DJIA eased -0.23% to 25,857.07 points, while the S&P 500 saw strength across utilities (+0.58%) and real estate (+0.54%) to end the session +0.19% higher at 2,877.13 points and the Nasdaq Composite gained +0.27% to 7,924.16 points. U.S. treasury yields traded mixed on Monday to take the curve toward the flattest level since 2007. The two-year yield added around 0.8bps to 2.714%, the highest level since mid-2008, while the 10-year yield eased 0.7bps to 2.937%. The greenback meanwhile tracked lower following Brexit headlines that an agreement may be reached in the coming weeks. The DXY index ended off -0.27% after booking notable declines against the British pound (GBP/USD +0.81%) and the euro (EUR/USD +0.39%), however commodity currencies such as the Australian dollar continue to struggle amid U.S. – China trade concerns. Oil futures traded mixed on Monday as U.S. prices suffered from demand concerns as a result of Hurricane Florence. WTI ended the session down -0.3% at USD \$67.50 per barrel, while Brent crude tacked on USD +0.7% to USD \$77.37 per barrel. European equity markets traded broadly higher on Monday, largely ignoring a stronger euro and Swedish political headlines. The Stoxx Europe 600 tacked on +0.47% to 375.51, the German Dax added +0.22% to 11,986.34 points and the French CAC closed +0.33% higher at 5,269.63 points. In the U.K. the FTSE 100 inched just +0.02% higher to 7,279.30 points as a stronger pound weighed upon the market.

#### PRECIOUS

An anaemic session for gold during Asian trade today, held within a narrow range an unable to capitalise on a weaker greenback. Bullion held above USD \$1,195 throughout early session pricing, however struggled to entice Chinese demand once Shanghai opened and eased into their lunch break as the metal held at around a USD \$6 premium. Interest toward USD \$1,193 kept price action relatively buoyant during the afternoon, however flows were lighter than we are used to seeing and it looks as though participants are trading water until the metal breaks outside of the recent range. The latest COTR data has shown a further increase in short position and this does increase the likelihood that we may see a short squeeze over the near-term should the metal make sustainable break above USD \$1,200, with focus on the key resistance level through USD \$1,215 - \$1,220. Silver once again tested toward USD \$14.10 during Asian trade today, however saw resting bids restrict a further test of the important USD \$14 support. The grey metal has broken above USD \$14.20 in recent sessions, although rallies are being sold into and thus far the metal hasn't been able to extend away from USD \$14 (gold/silver ration in focus).



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Platinum tracked sideways today following the overnight squeeze through USD \$800 and reversal (short dated borrowing seen overnight), while palladium was sold in New York on a test of the 200 DMA (again!) and held a narrow range in Asia today.

Data releases today include U.K. employment data, German ZEW survey results, U.S. small business optimism, the U.S. JOLTS job openings and U.S. wholesale inventories.

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