



## MKS PAMP GROUP

### Daily Asia Wrap

13<sup>th</sup> September 2018

Range Asian Hours  
(from Globex open)

	<b>GOLD</b>	<b>SILVER</b>	<b>PLATINUM</b>	<b>PALLADIUM</b>
<b>OPEN</b>	1206.70/10	14.25/28	799/02	976/78
<b>HIGH</b>	1207.00/40	14.27/30	803/06	978/80
<b>LOW</b>	1203.80/20	14.19/22	795/98	972/74
<b>LAST</b>	1204.70/10	14.25/28	803/06	976/78

#### MARKETS/MACRO

US equities were finished mostly higher amid reports that the US is proposing follow up trade talks with China after last month's efforts proved fruitless. The Dow added 27.86 points, or 0.11%, to 25,998.92, the S&P 500 inched up 1.03 points, or 0.04%, to 2,888.92, while the Nasdaq fell 18.245 points, or 0.23%, to 7,954.229. There were wins for telecoms (+1.42%) and consumer staples (+1.25%) while financials (-0.89%) and tech (-0.89%), which was weighed down by a 1.24% loss for Apple on the back of their new iPhone launch, led the laggards. European equities were higher, the EuroSTOXX added 1.77 points, or 0.47%, to 377.08, the German DAX rose 62.03 points, or 0.52%, to 12,032.30, and the London FTSE 100 gained 39.82 points, or 0.55%, to 7,313.36. In the currencies, the US dollar index eased 0.26% to 94.831, the EUR traded up to 1.1646, while USD/JPY was as low as 111.12. US treasury yields were mixed, the 2 year yield firmed 0.8 bps to 2.750% while the 10 year yield lost 1.1 bps to 2.960%. Oil prices were higher as the EIA reported US stockpiles fell by more than expected last week. Brent rose 0.3% to \$79.70 while WTI gained 0.4% to \$70.27. Base metals were sharply higher, with nickel (+3.2%) leading the way. In US economic data, the Labor Department reported that the producer price index fell 0.1% in August after remaining unchanged in July. The year on year reading was 2.8% while the core PPI year on year rate was 2.3%. In Asia today, as I write the Nikkei is at +0.87%, the Shanghai composite is at +0.04%, the Hang Seng is at +1.27%, and the ASX S&P 200 is at -0.65%. Tonight we have weekly jobless claims, consumer price index, core CPI, and Federal budget numbers out of the US; and the important ECB interest rate decision in the Eurozone.

#### PRECIOUS

Solid session for the precious as gold closes above the \$1200 level. Gold opened at \$1197 in Asia and was sold to the day's low \$1192 around lunchtime. The SGE premium eased slightly to \$3-4 and we saw decent selling from China. London traded \$1193-97 through the AM session in the absence of any real catalyst for a move either way. As the US/China trade talk headlines appeared in NY mid-morning USD/CNH promptly dropped from 6.87 to 6.83 and gold took off. The yellow metal gapped up to \$1203 initially, then traded steadily to the session high \$1208 over the next few hours. There was some late selling off the high which saw the market at \$1205 by closing time. Silver printed a week high \$14.27 during NY hours before a close in the black at \$14.21. In the PGMs, platinum popped above \$800 for the first time since last month and palladium closed ahead at \$974. The Philadelphia gold and silver index



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added 3.46%. SPDR Gold Trust holdings were down 0.03% to 745.18 metric tonnes. In Asia today, gold is easing slightly as the USD finds broad interest. The metal opened at \$1206.70 and was down around \$1204 by the open in China. The SGE premium is slightly firmer at \$4 over loco London, and the yellow metal is \$1204.70 as I write. Silver printed a low of \$14.19 earlier on but has recovered to the opening level at \$14.25 as I write. Platinum has been the best performer in Asia today, the metal is currently sitting at \$803. Have a good day ahead.

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