



**MKS PAMP GROUP**  
**Asia Market Update**  
**14<sup>th</sup> December 2018**

Range Asian Hours  
(from Globex open)

	<b>GOLD</b>	<b>SILVER</b>	<b>PLATINUM</b>	<b>PALLADIUM</b>
<b>OPEN</b>	1241.60/00	14.74/76	795/98	1259/63
<b>HIGH</b>	1242.90/30	14.74/76	796/99	1264/68
<b>LOW</b>	1241.50/90	14.66/68	794/97	1254/58
<b>LAST</b>	1241.50/90	14.67/69	795/98	1255/59

**MARKETS/MACRO**

Markets in general traded within a narrow range yesterday, with the ECB sounding slightly more dovish and mixed signals reported on the trade war front: China resumed soybean purchases from the US, yet detained another Canadian national for questioning. US equities ended narrowly mixed on the day, the Dow Jones inching up +0.29% to 24,597.38, while the S&P500 closed flattish (-0.02%) at 2,650.54 and the NASDAQ Composite eased -0.39% to 7,070.336. It was a similar scenario for European stocks, generally easing modestly across the board. The Eurofirst 300 index dipped -0.11%, EuroStoxx 600 -0.17%, FTSE100 -0.04%, DAX -0.04% and French CAC40 -0.26%. US yields remained mostly unchanged with the benchmark 10y yield dipping slightly from 2.913% to 2.907% over the course of the day.

The European Central Bank left interest rates on hold Thursday in a widely-anticipated decision and reiterated that they will remain unchanged well into 2019. The monetary authority left its main refinancing rate, which determines the cost of credit in the economy, unchanged at zero, where it has remained since March 2016. The central bank also confirmed the end of its €2.6 trillion (\$2.96 trillion), four-year-long bond buying program, while reiterating that it will reinvest principal payments from maturing securities for an extended period of time. In his post release conference, ECB President Mario Draghi noted, "The risks surrounding the euro area growth outlook can still be assessed as broadly balanced. However, the balance of risk is moving to the downside owing to the persistence of uncertainties related to geopolitical factors, the threat of protectionism, vulnerabilities in emerging markets and financial market volatility". He also argued that while headline inflation growth was likely to decrease in coming months, the picture for underlying inflation looked healthier. "Measures of underlying inflation remain generally muted, but domestic cost pressures are continuing to strengthen and broaden amid high levels of capacity utilisation and tightening labour markets, which is pushing up wage growth". On any suggestion that a global slowdown of growth could trigger another bout of QE, Draghi said the matter was not up for discussion. "We didn't have to discuss restarting net asset purchases, because our base line is still valid".

**PRECIOUS**

Gold pulled back very slightly overnight after initially finding some support late in the day in Asia. After a slow start the metal did manage to tick higher on some light Chinese demand in the SGE PM session. There was also perhaps a little 'insurance' buying in the lead up to the ECB announcement and press conference pushing us up to the highs of the day (\$1247.00). When the ECB passed, the little buying there was out there dried up and gold fell off sharply to the lows (\$1240.50). It never really recovered from



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there tracking a \$1240.50-1244.50 range throughout NY. The white metals gave back some of the gains made from the previous session overnight, although all still look fairly strong.

Another slow day for Asia with very little to report. Gold maintained a \$1.00 range throughout, sitting tight between \$1241.90-\$1242.90 with tiny flows seen. GCG9 has only traded some 12k lots after around 5.5 hours. Silver has steadily drifted lower throughout the session thus far and PGM's remain flat. On the data front today look out for a host of Euro-Area Markit manufacturing/services/composite PMI's, Italian CPI and US retail sales, industrial production and Markit PMI's. Wish you all a wonderful weekend.

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