



MKS PAMP GROUP
Asia Market Update
15th February 2019

Range Asian Hours
(from Globex open)

	GOLD	SILVER	PLATINUM	PALLADIUM
OPEN	1312.60/80	15.60/62	787/89	1415/20
HIGH	1313.20/40	15.61/63	788/90	1418/23
LOW	1311.30/50	15.56/58	784/86	1413/18
LAST	1313.00/20	15.57/59	785/87	1417/22

MARKETS/MACRO

U.S. PPI declined -0.1% MoM during January (exp: +0.1%) from -0.1% previously, taking the annualised figure to +2.0% YoY (exp: +2.1%) from +2.5% previously. The monthly figure was largely a result of softer energy prices, as gasoline prices cratered -7.3% on the month. The core PPI figure (ex food, energy and trade) pushed +0.2% MoM higher from a flat read previously, while on an annualised basis eased to +2.5% YoY from +2.8% previously. Initial jobless claims in the U.S. increased by a modest 4k to 239k (exp: 225k) during the week ended February 9. The weekly figure saw the four-week moving average 6,750 higher to 231,750, while continuing claims jumped by 37k to 1.773 million (exp: 1.74 million) during the week ended February 2. Retail sales in the U.S. collapsed -1.2% MoM (exp: +0.1%) during December, marking the biggest fall in nine years. Core retail sales meanwhile sunk -1.7% MoM (exp: +0.4%) to follow a +1.0% gain in November. Stocks in the U.S. ended lower following the soft retail sales print as consumer staples (-1.22%) and financials (-1.16%) weighed heavily upon the S&P 500 as the bourse shed -0.27% to 2,745.73 points. The DJIA declined -0.41% to 25,439.39 points, while the Nasdaq Composite bucked the trend to inch +0.09% higher to 7,426.953 points. The greenback saw mixed price action, however ended modestly lower on Thursday (DXY -0.16%) as the euro tested back above 1.1300.

PRECIOUS

A relatively subdued session for bullion during Asian hours on Friday, held within a narrow range as the dollar tracked sideways amid uninspiring trade. Importantly gold held onto the USD \$1,310 pivot after reclaiming the figure in New York, however failed to find the interest for a move through the overnight high. Demand out of China was relatively tepid, while the onshore premium held toward USD \$9 but failed to illicit any interest in the spot market. Overnight declines once again tested toward the lower end of the recent range, with interest around USD \$1,303 continuing to keep price action buoyant and reaffirming a near-term base. While the U.S. Government shutdown seems to have been averted, there remains uncertainty over President Trump's border wall funding and trade relations between the U.S. and China to underpin interest in bullion. The USD \$1,310 pivot is the first downside support, while below this USD \$1,303 - \$1,305 will likely continue to see strong interest. Topside targets extend toward USD \$1,320 - \$1,325, while crosses, notably in EUR and AUD continue to move through multi-year highs as recent producer selling, although still evident, tempers somewhat. Data releases today include U.K. retail sales, U.S. empire manufacturing, the U.S. import price index, U.S. industrial production, U.S. capacity utilisation, the University of Michigan consumer sentiment gauge and U.S. TIC flows.



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