



## MKS PAMP GROUP

### Asia Market Update

15<sup>th</sup> January 2019

Range Asian Hours  
(from Globex open)

	<b>GOLD</b>	<b>SILVER</b>	<b>PLATINUM</b>	<b>PALLADIUM</b>
<b>OPEN</b>	1291.40/60	15.61/63	803/05	1323/28
<b>HIGH</b>	1293.30/50	15.69/71	805/07	1328/33
<b>LOW</b>	1290.20/40	15.61/63	803/05	1323/28
<b>LAST</b>	1291.40/60	15.68/70	804/06	1324/28

#### MARKETS/MACRO

With a lack of economic data for direction on Monday, focus turned to poor trade data out of China, fuelling fears of a further slowing of global growth. Stocks in the U.S. finished in the red as investors awaited a slew of fourth quarter earnings reports this week, seeing the DJIA off -0.36% to 23,909.84 points, while the S&P 500 declined -0.53% to 2,582.61 points. In currency majors the dollar held relatively unchanged on Monday, recovering from early session declines against USD/China, while seeing volatility against the pound on the back of Brexit headlines. Movement in treasury yields were relatively subdued after early session declines, with the 10-year adding +0.9bps to 2.71% and the two-year flat at 2.538%. Oil futures posted declines on Monday as concerns over global growth weighed upon investor sentiment. WTI slumped -2.2% to finish at USD \$50.60 per barrel, while Brent crude fell -2.1% to USD \$59.22 per barrel. Stock markets in Europe were dragged lower following the weak Chinese trade data, while Brexit concerns remain at the forefront of investors minds. The Stoxx Europe 600 declined -0.48% to 347.51 points, the German Dax sank -0.29% to 10,855.91 points and in London the FTSE 100 fell -0.91% to 6,855.02 points.

#### PRECIOUS

Monday's robust price action continued during Asian trade today, as a softer greenback underpinned bullion throughout the session. The yellow metal experienced a modest downwards skew during early pricing as Tokyo offered the metal upon return from Monday's holiday, however underlying interest toward USD \$1,290 restricted any further declines leading into the Chinese open. Shanghai pricing saw USD/China immediately lower, with USD/CNH printing a 6.744 session low after opening above 6.76. The firmer yuan supported bullion through to a USD \$1,293.30 high, however headlines regarding an increase to new yuan loans and tax cuts with a focus on manufacturing soon had the greenback paring gains to cap any further moves higher to bullion. The on-shore premium in Shanghai held firm toward USD \$8 to remain supportive to gold, seeing the metal once again withstand a test of USD \$1,290 during afternoon trade. Although still broadly with the USD \$1,280 - \$1,300 range, gold has tightened the downside into USD \$1,285 - \$1,290 in recent sessions and looks to be building a base for a further test of the psychological USD \$1,300 level. All eyes today on the Brexit vote in the U.K., while in the U.S. we see Empire manufacturing and PPI



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