



## MKS PAMP GROUP

### Asia Market Update

17<sup>th</sup> October 2018

Range Asian Hours  
(from Globex open)

	GOLD	SILVER	PLATINUM	PALLADIUM
<b>OPEN</b>	1224.00/20	14.66/68	841/43	1080/82
<b>HIGH</b>	1225.60/80	14.68/70	841/43	1081/83
<b>LOW</b>	1220.70/90	14.60/62	836/38	1077/79
<b>LAST</b>	1223.80/00	14.65/67	837/39	1081/83

#### MARKETS/MACRO

Equities in the U.S. ripped higher on Tuesday as a number of positive earnings results buoyed investor sentiment. The DJIA surged +2.17% to 25,798.42 points to mark the largest single-session gain since late March, while the S&P 500 jumped +2.15% to 2,809.92 points as technology (+3.02%) led each of the bourse's 11 components higher. Strength across the technology sector saw the Nasdaq Composite book its largest single-session advance since March 26, ripping +2.89% higher to 7,645.488 points as notably Tesla gained +6.55% after a Federal judge approved the settlement between Chief Executive, Elon Musk and the Securities and Exchange Commission. Industrial production in the U.S. increased +0.3% MoM during September to outperform expectations centred around +0.2%. The headline print booked its fourth consecutive monthly gain and was supported by a +0.5% increase in mining and a +1.7% gain to auto production. On an annualised basis industrial production was +5.1% higher, marking the biggest gain in almost eight years. The greenback saw mixed trade on Tuesday, however ultimately ended flat on the session. The buck struggled against the pound following supportive wage growth out of the U.K. and was generally unchanged against the Euro. Treasury yields eased marginally on Tuesday as equities moved back into favor, seeing the 10-year yield off -0.6bps to 3.158%. Oil futures ended higher as tensions between the U.S. and Saudi Arabia continue to simmer, while there were further supply concerns following a reported breakdown in talks between Saudi Arabia and Kuwait over two shared oil fields. WTI jumped late in trade to end +0.8% higher at USD \$72.20 per barrel, while Brent crude recovered from weakness in Europe to book a +0.8% gain to USD \$81.50 per barrel. European equities posted strong gains on Tuesday, buoyed by the Italian government approving a draft budget late on Monday. The Stoxx Europe 600 gained +1.58% to notch the best single-session result since early April, while the German Dax jumped +1.40% to 11,776.55 points and in France the CAC rallied +1.53% to 5,173.05 points. In the U.K. the FTSE 100 posted a +0.43% return to 7,059.40 points, as a stronger pound created headwinds for local stocks.

#### PRECIOUS

Gold once again failed to consolidate above USD \$1,230 after breaking back above the figure in early New York on Tuesday, turning offered into the close as equity markets posted strong gains. The metal saw relatively muted price action during the Asian session, before finding interest in European hours on the back of a softer dollar. Bullion printed a session high of USD \$1,232.50 around the New York open to fall just shy of Monday's high print, however soon ran out of steam as equities ripped higher, settling toward support around USD \$1,225. Bullion exhibited further weakness during Asian trade on Wednesday, albeit in relatively uninspiring trade with Hong Kong out for Chung Yeung Festival.



It was a generally orderly decline for the metal after holding around USD \$1,225 in early session trade, easing briefly underneath USD \$1,221 against a strengthening dollar. The metal continues to see interest around USD \$1,220, with an extension toward support at USD \$1,215 a possibility. ETF's have recorded inflows to start the week, while gold vols have softened marginally today with the metal failing above USD \$1,230 once again, seeing 1m to around 10.6. In central bank news it was reported on Tuesday that Hungary increased its gold reserves by 10-fold during September, citing the need to improve its holdings' safety. The move follows increases in reserves by other countries in the region such as Poland and Russia. Silver remains supported toward USD \$14.60, with top-side targets extending to USD \$14.90, while platinum eased underneath USD \$840 today and will look to hold support at USD \$835. Data today includes U.K. CPI/RPI/PPI, Eurozone CPI, U.S. housing starts and U.S. building permits.

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