



MKS PAMP GROUP

Daily Asia Wrap

19th October 2018

Range Asian Hours
(from Globex open)

	GOLD	SILVER	PLATINUM	PALLADIUM
OPEN	1225.70/10	14.57/60	823/26	1070/72
HIGH	1228.50/90	14.64/67	831/34	1081/83
LOW	1225.00/40	14.55/58	823/26	1070/72
LAST	1228.30/70	14.64/67	831/34	1081/83

MARKETS/MACRO

US equities were sold off as the stock market's miserable October continues. The Dow lost 327.23 points, or 1.27%, to 25,379.45, the S&P 500 fell 40.43 points, or 1.44%, to 2,768.78, while the Nasdaq dropped 157.56 points, or 2.06%, to 7,485.14. Consumer discretionary (-2.11%), tech (-2.02%) and communications (-1.84%) led a near broad decline in the markets. European equities were lower, the EuroSTOXX sold off 1.87 points, or 0.51%, to 361.67, the German DAX gave up 125.82 points, or 1.07%, to 11,559.21, and the London FTSE 100 declined 27.61 points, or 0.39%, to 7,026.99. In the currencies, the US dollar index firmed 0.34% to 95.978, EUR traded down to 1.1450, while USD/JPY was as low as 112.03. US treasury yields were lower, the 2 year yield eased 2.1 bps to 2.87% while the 10 year yield lost 3.0 bps to 3.18%. Oil prices were lower, Brent shed 1.0% to \$79.32 while WTI sold off 1.5% to \$68.77. Base metals were mostly lower, with copper (-1.0%) leading the losses. In US economic data, the Philly Fed manufacturing index fell to 22.2 in October from 22.9 in September. The US leading index rose 0.5% in September following a 0.4% increase in August. Initial jobless claims fell 5k to 210k in the week ending October 13, continuing claims fell 13k to 1.64M. In Asia today, as I write the Nikkei is at -1.09%, the Shanghai composite is at -0.02%, the Hang Seng is at -0.29%, and the ASX S&P 200 is at -0.20%. Tonight we have existing home sales out of the US; and current account data out of the Eurozone.

PRECIOUS

Gold opened at \$1221 and traded between \$1221-24 through most of Asian hours. The SGE premium was around \$5 and we saw light 2 way flows out of Asia. The market dipped a session low \$1218 just ahead of the London open but once again found plenty of support below that \$1220 level. London bought the metal back up to the earlier highs at \$1224 during the AM session as the EUR traded above 1.15. Another sharp sell-off in early NY trading saw the yellow metal test \$1220 for a second time, and again the level was rejected with gold surging to the day's high \$1230. The market has been testing that \$1230 level all week and there were plenty of orders there to thwart any move higher. Gold eased through the NY afternoon as the greenback caught a bid, finally closing at \$1225. Silver printed the \$14.45 low just before the opening bell in London, the grey metal was able to pare most of the losses and finish the day at \$14.55. PGM's finished all but flat though palladium saw some whippy trading during NY hours. The Philadelphia gold and silver index rose 0.28%. The SPDR Gold Trust holdings were unchanged at 748.76 metric tonnes. In Asia today, gold opened at \$1225.70 and remained within a \$2



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range for the first few hours. The metal jumped to the high \$\$1228.50 as SGE opened with the premium still at \$5 over loco London. After spending the afternoon between \$1229-28, the yellow metal is right back at the \$1228.50 as I write. Silver has traded sideways through most of the day but ticked up slightly in the late afternoon, the grey metal is currently at the day's high \$14.64. PGMs are inching higher, with platinum and palladium at \$831 and \$1081 respectively. Have a good day ahead.

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