



**MKS PAMP GROUP**  
**Asia Market Update**  
**19<sup>th</sup> September 2018**

Range Asian Hours  
(from Globex open)

	<b>GOLD</b>	<b>SILVER</b>	<b>PLATINUM</b>	<b>PALLADIUM</b>
<b>OPEN</b>	1198.40/60	14.16/18	813/15	1012/14
<b>HIGH</b>	1204.10/30	14.22/24	820/22	1015/17
<b>LOW</b>	1198.20/40	14.12/14	812/14	1011/13
<b>LAST</b>	1203.50/70	14.22/24	819/21	1015/17

**MARKETS/MACRO**

In trade related news, President Trump announced that the U.S. would be placing a 10% tariff on around USD \$200 billion of Chinese imports from September 24, rising to 25% at the end of 2018. In retaliation, China announced tariffs on USD \$60 billion of U.S. exports. Home builder confidence in the U.S. remained elevated during September according to the latest NAHB survey results, largely a result of softening lumber prices from recent record high levels. The NAHB housing market index held at 67 (exp: 66) as a firmer labor market also helped to support the print. Equities in the U.S. firmed on Tuesday as participants largely ignored the ongoing trade concerns as both the U.S. and China announced a fresh round of tariffs. The DJIA jumped +0.71% to 26,246.96 points to mark the best session in nearly three-weeks, while gains to consumer discretionary (+1.27%) and industrials (+0.89%) supported the S&P 500 +0.54% higher to 2,904.31 points. Oil futures ripped higher on Tuesday on the back of supply concerns out of Iran. WTI jumped +1.4% to USD \$69.85 per barrel, while Brent crude climbed +1.3% to USD \$79.03 per barrel. The greenback saw mixed trade on Tuesday, however was able to strengthen late in trade, pushing higher with treasury yields to see the DXY index gain +0.04% following early session tariff related weakness. The 10-year treasury yield pushed to 3.048% to mark the highest rate since May, while the two-year yield climbed 1.3bps higher to 2.80%, marking a near decade-long high. European equity markets ended higher, however held a relatively tight range amid the ongoing trade war headlines. The Europe Stoxx 600 tacked on +0.11% to 378.73 points, while the German Dax found support from autos to end +0.51% higher at 12,157.67 points. In the U.K. the FTSE 100 (-0.03%) closed little changed as the pound edged modestly higher on positive Brexit progress.

**PRECIOUS**

Bullion saw mixed price action on Tuesday, however ultimately ended softer to slip underneath USD \$1,200 during New York trade. Although losing touch with the USD \$1,200 handle in early Asian trade following the fresh tariff announcement from President Trump, the yellow metal was generally well supported throughout the Asian session and interest was clear toward the recent support around USD \$1,195. London opened on the bid following the retaliatory Chinese tariffs and had the metal back above USD \$1,200, however the bid tone was soon exhausted, and New York offered the metal back underneath the figure as the greenback recovered from earlier weakness. Gold vols have softened marginally in recent sessions as we continue to hold within a tight range. The main movers overnight were the white metals, with platinum ripping through USD \$800 on a tightening forward market to add +1.6%, while palladium finally consolidated above the 200 DMA to reclaim USD \$1,000 and end +2.7% higher.



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A positive session for the precious complex during Asian trade today, reclaiming USD \$1,200 following headlines out of China from Premier Li Keqiang noting that they will not engage in competitive currency devaluations. USD/China turned offered on the headlines, broadly weighing upon the greenback to support gold higher. The metal pushed above USD \$1,200 into the Chinese lunch break and continued to see interest throughout the afternoon. Once again we are stuck in the middle of the recent range and will look to USD \$1,200 as the first support, with broad extension toward USD \$1,193 - \$1,195. Resistance still sits around USD \$1,205, with the key break-out level through USD \$1,215. Platinum will now look to consolidate above USD \$800 for a move to USD \$850, while palladium should see support around the 200 DMA to target USD \$1,040 - \$1,050. Data today includes U.K. CPI, RPI and PPI, U.S. mortgage applications and U.S. housing starts.

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