



MKS PAMP GROUP

Asia Market Update

21st December 2018

Range Asian Hours
(from Globex open)

	GOLD	SILVER	PLATINUM	PALLADIUM
OPEN	1259.70/20	14.74/77	793/96	1264/69
HIGH	1262.20/70	14.78/81	795/98	1269/74
LOW	1258.80/30	14.72/75	788/91	1250/55
LAST	1258.80/30	14.72/75	792/95	1261/66

MARKETS/MACRO

US equities continued to fall as the Fed's interest rate policy announcement remained fresh in the mind of investors. The Dow lost 464.06 points, or 1.99%, to 22,859.60, the S&P 500 fell 39.54 points, or 1.58%, to 2,636.78, while the Nasdaq shed 108.42 points, or 1.63%, to 6,528.41. Energy (-2.79%), consumer discretionary (-2.25%) and tech (-1.88%) lead a near broad decline in the markets. European equities were lower, the EuroSTOXX slipped 4.94 points, or 1.45%, to 336.58, the German DAX dropped 155.11 points, or 1.44%, to 10,611.10, and the London FTSE 100 gave up 54.01 points, or 0.80%, to 6,711.93. In the currencies, the US dollar index eased 0.57% to 96.446, the EUR was as high as 1.1482, while USD/JPY traded down to 110.82. US treasury yields were higher, the 2 year yield rose 2.5 bps to 2.673% while the 10 year yield firmed 3.7 bps to 2.785%. Oil prices were lower, Brent sold off 2.7% to \$54.67 while WTI lost 1.8% to \$46.17. In US economic data, the Philly Fed manufacturing index fell 3.5 points to a seasonally adjusted 9.4 in December, the lowest level in over two years. Initial jobless claims rose by 8k to 214k in the week ending December 15, continuing claims rose 27k to 1.69M. In Asia today, as I write the Nikkei is at -1.54%, the Shanghai composite is at -1.12%, the Hang Seng is at -0.30%, and the ASX S&P 200 is at -0.62%. Tonight we have GDP revision, durable goods orders, core capex orders, personal income, consumer spending, core inflation, and consumer sentiment index out of the US.

PRECIOUS

Huge session for the precious as safe haven buying sends gold higher. Gold opened at the low of \$1242 and traded \$1243-46 through the first few hour of the Asian trading day. The SGE premium was around \$6-7 and while we saw some decent buying interest, producer selling kept a lid on the market. The market started tracking higher through late Asian hours as the USD came under pressure. London came in at \$1248 and swiftly bought the metal through the 200 DMA to \$1256. Gold traded up to \$1261 in early NY hours before pulling back, but safe haven buying as equities were sold off saw the yellow metal surge to the day's high of \$1266. Late profit taking saw the market wind up at \$1259 at the close. Silver traded up to equal the recent highs at \$14.81 but couldn't push through. PGMs were a little more muted, palladium finished flat while platinum closed higher at \$794. The Philadelphia gold and silver index rose 5.34%. The SPDR Gold Trust holdings were down 0.34% to 769.14mt. In Asia today, gold opened at \$1259.70 and traded up to the high of \$1262.20 early on. The SGE premium eased to \$4-5 over loco London and gold came off the highs and consolidated around the opening level. The yellow metal is sitting at the low of \$1258.80 as I write. Silver opened at \$14.74 and traded to a high of \$14.78, the grey metal is currently sitting at \$14.72. Have a good day ahead.



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