



## MKS PAMP GROUP

### Asia Market Update

25<sup>th</sup> October 2018

Range Asian Hours  
(from Globex open)

	<b>GOLD</b>	<b>SILVER</b>	<b>PLATINUM</b>	<b>PALLADIUM</b>
<b>OPEN</b>	1233.70/90	14.67/69	830/32	1126/28
<b>HIGH</b>	1237.90/10	14.76/78	832/34	1129/31
<b>LOW</b>	1233.15/35	14.66/68	830/20	1119/21
<b>LAST</b>	1236.20/40	14.71/72	830/20	1120/22

#### MARKETS/MACRO

Equities in the U.S. closed markedly lower on Wednesday to see both the S&P 500 and the DJIA slip into negative territory on the year, while the Nasdaq Composite moved into correctional territory. The DJIA collapsed -2.41% to 24,583.42 points, while heavy trade to technology (-4.43%) and energy (-3.79%) saw the S&P 500 -3.09% lower to 2,656.10 points. The tech-laden Nasdaq meanwhile collapsed -4.43% to 7,108.402 points, seeing the index more than -10% below the August 29 all-time high to move into correctional territory. New home sales in the U.S. sunk -5.5% MoM during September (exp: -0.6%) to follow a sharply downwardly revised -3.0% fall in August (prev: +3.5%). The greenback had a relatively strong session on Wednesday, with the majority of gains made in early European trade as the euro triggered a stop loss run underneath 1.14. The DXY index ended the session +0.5% higher and booked a +0.7% return against the euro while easing marginally against the yen and continuing to strengthen relative to the pound. European equities closed mixed on Wednesday as Italian-led jitters continue to keep participants on edge. The Europe Stoxx 600 pulled back -0.22% to 353.27 points, the German Dax fell -0.73% to 11,191.63 points, while the U.K. FTSE 100 edged into positive territory (+0.11%) to benefit from a softer sterling.

#### PRECIOUS

A generally robust session for bullion in Asia on Thursday following the U.S. equity collapse, consolidating above the important USD \$1,235 level with targets extending to a break through USD \$1,240 - \$1,245. The yellow metal traded with a bid bias throughout the session, seeing support from an ailing greenback to move above USD \$1,235 in early trade. China provided a modest bid tone throughout the Shanghai session, however uninspiring USD/China price action did little to move the on-shore premium away from USD \$6.50. Further equity weakness is likely to entice participants into the precious complex over the near-term, while the under-weight positioning with heavy skew toward shorts has the potential to see gold break-out to the top-side. The recent short build (from June onward) will likely become strained should gold break USD \$1,240 - \$1,245, with targets at USD \$1,250 and USD \$1,260 a real possibility. After testing USD \$14.80 on a number of occasions in recent sessions without success, silver continues to see interest around USD \$14.70 - \$14.65 restrict further declines. Upcoming option open interest at USD \$15 should continue to see the metal supported, however the real test will come following the cut and we will see whether it can stand alone and continue to target the figure. Today we see IFO survey results out of Germany, the ECB rates decision (no change expected), U.S. durable goods, U.S. initial jobless claims, U.S. Bloomberg consumer confidence and U.S. pending home sales.



**MKS PAMP**  
GROUP

*Although the information in this report has been obtained from and is based upon sources MKS believes to be reliable, we do not guarantee its accuracy and it may be incomplete or condensed. All opinions and estimates constitute MKS' judgment as of the date of this report and are subject to change without notice. This report is for informational purposes only and is not intended as investment advice, offer or solicitation for the purchase or sale of an investment. This report does not consider or take into account the investment objectives or financial situation of a particular party.*