



## MKS PAMP GROUP

### Daily Asia Wrap

27<sup>th</sup> December 2018

Range Asian Hours  
(from Globex open)

	<b>GOLD</b>	<b>SILVER</b>	<b>PLATINUM</b>	<b>PALLADIUM</b>
<b>OPEN</b>	1266.20/70	15.01/04	794/97	1256/61
<b>HIGH</b>	1272.00/50	15.06/09	800/03	1268/73
<b>LOW</b>	1266.20/70	14.96/99	793/96	1253/58
<b>LAST</b>	1269.90/40	15.03/06	797/00	1260/65

#### MARKETS/MACRO

US equities mounted an astonishing Boxing Day recovery, with the Dow putting on over 1000 points. The Dow soared 1086.25 points, or 4.98%, to 22,878.45, the S&P 500 surged 116.60 points, or 4.96%, to 2,467.70, while the Nasdaq climbed 361.44 points, or 5.84%, to 6,554.36. Huge wins for consumer discretionary (+6.28%), energy (+6.24%) and tech (+6.05%) led a broad advance in the markets. European equities were lower, the EuroSTOXX lost 1.43 points, or 0.42%, to 335.24, the German DAX rose 22.72 points, or 0.21%, to 10,633.82, and the London FTSE 100 9.24 points, or 0.14%, to 6,721.17. Most European markets were closed for the Boxing Day holiday. In the currencies, the US dollar index firmed 0.49% to 97.056, the EUR traded down to 1.1344, while USD/JPY climbed to 111.34. US treasury yields were higher, the 2 year yield firmed 3.4 bps to 2.611% while the 10 year yield added 4.5 bps to 2.799%. Oil prices surged off 17 month lows as the Russian Energy Minister expressed his view that global oil prices would stabilise in the first half of 2019. Brent jumped 7.9% to \$54.47 while WTI shot up 8.6% to \$46.22. Base metals were mixed, with nickel (-1.25%) taking the biggest hit. In US economic data, the Case-Shiller home prices index rose a seasonally adjusted 0.4% in October, and fell to 5% year-on-year. In Asia today, as I write the Nikkei is at +3.74, the Shanghai composite is at +0.57%, the Hang Seng is at +0.61%, and the ASX S&P 200 is at +1.58%. Tonight we have weekly jobless claims, consumer confidence index, and new home sales out of the US; with loan growth, and M# money supply out of the Eurozone.

#### PRECIOUS

Gold dropped \$6 on the open in Asian to the day's low of \$1264 before rebounding to opening levels once China came in. The SGE premium was firmer at \$6-7 and we saw the market reach \$1274. The metal consolidated between \$1271-74 through the London AM session. Thin liquidity led to whippy trading during NY hours, the greenback was initially offered and gold surged to a six month high \$1278. As equities took off the dollar turned bid, and the yellow metal was sold sharply. There was a brief bounce at \$1268 but before long we were testing the Asian lows at \$1264. Gold closed out the session behind at \$1266. Silver enjoyed a much stronger session despite closing off the highs, the grey metal climbed almost 3% to a high of \$15.16 in NY hours before ending the day \$14.99. PGMs were higher, platinum and palladium closed at \$795 and \$1256. In Asia today, gold opened on the bid and traded up to \$1269, before squeezing up to the current high of \$1272.00 on the SGE open. The SGE premium is



MKS PAMP  
GROUP

softer at \$4-5 and gold has drifted a little lower through the afternoon. The yellow metal is sitting at \$1269.90 as I write. Silver is hanging in above \$15 despite brief dip earlier on today, the grey metal is currently trading at \$15.03. Gold has been tracking steadily higher through December, if it can push through the band of resistance between \$1270-80 we may see a move on the \$1300 level. On the low side, there appears to be good support at \$1265 and we expect plenty of buying interest round the 200 DMA at \$1251. Have a good day ahead.

*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.*