



MKS PAMP GROUP

Daily Asia Wrap

28th December 2018

Range Asian Hours
(from Globex open)

	GOLD	SILVER	PLATINUM	PALLADIUM
OPEN	1274.90/40	15.22/25	794/97	1260/65
HIGH	1278.20/70	15.27/30	797/00	1270/75
LOW	1274.20/70	15.19/22	791/94	1262/67
LAST	1277.40/90	15.26/29	794/97	1260/65

MARKETS/MACRO

A stunning turnaround in US equities markets saw the three major bourses finish in the black despite sharp early losses. After enjoying the biggest one day increase in its history on Wednesday, the Dow was 600 points down at one stage on Thursday before a late rally saw the index finish ahead 260.37 points, or 1.14%, at 23,138.82. The S&P 500 rose 21.13 points, or 0.86%, to 2,488.83, while the Nasdaq gained 25.13 points, or 0.38%, to 6,579.49. Materials (+1.85%) and industrials (+1.24%) led a broad advance in the markets. European equities were lower, the EuroSTOXX lost 5.66 points, or 1.69%, to 329.58, the German DAX fell 252.31 points, or 2.37%, to 10,381.51, and the London FTSE 100 shed 101.31 points, or 1.52%, to 6,584.68. In the currencies, the US dollar index eased 0.49% to 96.581, the EUR traded up to 1.1448, while USD/JPY was as low as 110.52. US treasury yields were higher, the 2 year yield eased 3.8 bps to 2.573% while the 10 year yield slipped 1.5 bps to 2.784%. Oil prices were lower, Brent fell 4.5% to \$52.02 while WTI sold off 3.5% to \$44.61. In US economic data, the Conference Board's consumer confidence index fell to 128.1 in December from a revised 136.4 in November, its lowest level since July of this year. Weekly jobless claims fell 1k to 216k in the week ending December 22, continuing claims fell 4k to 1.7M. In Asia today, as I write the Nikkei is at -0.75, the Shanghai composite is at +0.18%, the Hang Seng is at +0.058%, and the ASX S&P 200 is at +0.55%. Tonight we have Chicago PMI and pending home sales out of the US; with Markit services PMI (final), Markit composite PMI (final), inflation rate, and PPI out of the Eurozone.

PRECIOUS

Gold opened at the session low of \$1266 in Asia and picked up a few dollars to \$1269 early on before trading at up \$1272 when China came in. The SGE premium was around \$4-6 and the market drifted lower through the afternoon back to the opening levels. London were on the bid early as USD/CNH fell sharply, the metal traded as high as \$1273 during the AM session. Once again NY trading was volatile, gold traded to \$1276 before dropping sharply to \$1270, and from here the metal rebounded to the day's high \$1278 as equities were pummeled. As stocks made a dramatic turnaround gold was sold off the highs, the yellow metal finished the session at \$1274. Silver oscillated around the \$15 level through Asian hours before climbing to a session high \$15.25 before closing at \$15.23. Palladium was the pick of the PGMs, rising to a close at \$1263. The Philadelphia gold and silver index rose 1.15%. SPDR Gold Trust holdings were down 0.30% to 787.67 metric tonnes. In Asia today, gold opened at \$1274.90 and is



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making a slow grind higher as the US dollar is broadly offered. The SGE premium is softer at \$3-4 over loco London. The yellow metal is at \$1277.40 as I write. Silver slightly higher, the grey metal is currently sitting at \$15.26. PGMs are flat. Have a good day ahead.

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