



MKS PAMP GROUP

Asia Market Update

28th January 2019

Range Asian Hours
(from Globex open)

	GOLD	SILVER	PLATINUM	PALLADIUM
OPEN	1302.00/20	15.73/75	817/19	1356/61
HIGH	1304.30/50	15.80/82	819/21	1361/66
LOW	1300.20/40	15.72/74	814/16	1355/60
LAST	1302.30/50	15.78/80	816/18	1357/62

MARKETS/MACRO

The record U.S. Government partial shutdown came to end on Friday after 35 days, with President Trump agreeing to temporarily reopen the Government without securing funding for his long-promised wall. The legislation signed on Friday will see the Government open until 15 February, at which time if a new deal that includes funding for the wall has not been agreed, the Government will shutdown once again and president Trump could declare a national emergency. Stocks in the U.S. ended firmer on Friday, buoyed by positive earnings results and the signing of a deal to reopen the government. The DJIA tacked on +0.75% to 24,737.20 points, ending the week +0.1% higher to mark a fifth consecutive weekly gain. Gains across technology (+1.45%) and industrials (+1.29%) helped underpin a +0.85% gain to the S&P 500 as the bourse finished at 2,664.76 points, while the Nasdaq Composite jumped +1.29% to 7,164.864 points. European markets pushed higher on Friday as investors set aside concerns over ongoing U.S. – China trade negotiations. The Stoxx Europe 600 added +0.61% to 357.84 points to book a +0.2% weekly gain, while the German Dax surged +1.36% to 11,281.79 points. In London the FTSE 100 eased -0.14% to 6,809.22 points amid a firmer pound (GBP/USD +1.03%). The greenback turned lower on Friday (DXY -0.7%), largely due to a firmer pound (GBP/USD +1.03%) and euro (EUR/USD +0.9%). Treasury yields ticked higher on Friday as investors moved in equity markets, taking the two-year 3.6bps higher to 2.598% and the 10-year 3.9bps higher to 2.753%.

PRECIOUS

Bullion price action remained buoyant during Asian trade today following the close above USD \$1,300 on Friday, as further dollar weakness underpinned the metal. Modest early session profit taking soon reversed once Shanghai opened, with USD/CNH falling to a 6.7354 low (opened around 6.754) to see bullion move back above USD \$1,303. Although held within a tight range for the remainder of the session, the yellow metal traded with a bid skew to print a USD \$1,304.30 session high leading into the Chinese post-lunch session, however tapered off as London filtered in as participants looked to take profit. Gold remains well supported above USD \$1,300 and will look to the psychological support for a further leg higher. We have not as yet seen the producer selling that thwarted previous tests above USD \$1,300, while ETF interest remains supportive to instil confidence within the market that the move into safe haven assets will remain. Silver tested a move above USD \$15.80 today, however was unable to break above the level that capped the early December move higher. Should the grey metal consolidate above the USD \$15.80 pivot we are likely to see a sharp move toward USD \$16, whereby top-side targets extend to the recent down-trend that cuts in toward USD \$16.33. Data today includes the Chicago Fed national activity index and the Dallas Fed manufacturing activity index.



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