



**MKS PAMP GROUP**  
**Asia Market Update**  
**31<sup>st</sup> December 2018**

Range Asian Hours  
(from Globex open)

	<b>GOLD</b>	<b>SILVER</b>	<b>PLATINUM</b>	<b>PALLADIUM</b>
<b>OPEN</b>	1280.20/40	15.38/40	791/93	1265/67
<b>HIGH</b>	1280.40/60	15.38/40	792/94	1265/67
<b>LOW</b>	1277.20/40	15.33/35	790/92	1258/60
<b>LAST</b>	1277.60/80	15.36/38	790/92	1259/61

**MARKETS/MACRO**

U.S. equities ended generally lower on Friday after enduring swings between gains and losses amid thin holiday trade. The DJIA slipped late in trade to end -0.33% down at 23,062.40 points, weakness across industrials (-0.32%) and energy (-0.89%) had the S&P 500 -0.12% lower to 2,485.74 points, while the Nasdaq Composite outperformed to add +0.08% to 6,584.522 points. The greenback eased on Friday to see the DXY index off -0.2%, mainly sliding against safe-haven currencies such as the yen. Treasury yields in the U.S tracked lower on Friday as investors looked for safety over the holiday period. The two-year eased 1.4bps to 2.534% and the 10-year ended relatively unchanged. Oil futures saw mixed trade as WTI received a boost from an Energy Information Administration report showing U.S. domestic crude supplies fell by 46,000 barrels during the week ended December 21. The news helped the U.S. benchmark recover from early New York declines, however still booked a -0.88% fall to sit just above USD \$45 per barrel. Brent crude reversed an early Asian bid tone to end -1.8% lower at USD \$53.10 per barrel. European stocks ripped higher on Friday to recoup some of the previous session declines, however it wasn't enough to stop the German Dax marking its largest annual decline (-18.3%) since 2008. The Stoxx Europe jumped +2.02% to 336.23 points, the German Dax popped +1.71% to 10,558.96 points, while in London the FTSE 100 surged +2.27% to 6,733.97 points as energy and mining stocks firmed.

**PRECIOUS**

The precious complex remained firm around USD \$1,280 throughout Monday's session, however saw a mild downside skew following U.S. – China trade headlines. U.S. President Donald Trump has said via twitter that he had a “long and very good call” with his Chinese counterpart President Xi Jinping over the weekend. With reference to the current trade impasse President Trump added that a “Deal is moving along very well. If made, it will be very comprehensive, covering all subjects, areas and points of dispute. Big progress being made!” The headlines saw U.S. equity futures bid during Asian trade and weighed modestly upon the precious complex, pressuring gold to a USD \$1,277.20 session low, albeit held within a narrow range in thin holiday trade. Price action expectations are muted for the last session of the year, with bullion expected to oscillate either side of USD \$1,280, likely with a mild offered bias on the back of positive trade news. Silver tested a break of USD \$15.40 in early Asian price action, however lacked follow through interest and remains pegged at the 200 DMA around USD \$15.38. Platinum continues to trade heavily underneath USD \$800, while palladium has remained buoyant above USD \$1,260 during Asian trade today following Friday's volatility. Chinese December data released today saw the non-



**MKS PAMP**  
GROUP

manufacturing PMI push higher to 53.8 (exp: 53.2) from 53.4 previously, while manufacturing PMI slipped to 49.4 (exp: 50.0) from 50.0 previously. The soft December manufacturing PMI print was the first time the key indicator had printed within contractionary territory (under 50.0) in two-years. Wishing everyone a happy, healthy and prosperous New Year.

*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.*