



## MKS PAMP GROUP

### Daily Asia Wrap

16<sup>th</sup> April 2018

Range Asian Hours  
(from Globex open)

	<b>GOLD</b>	<b>SILVER</b>	<b>PLATINUM</b>	<b>PALLADIUM</b>
<b>OPEN</b>	1344.60/00	16.63/66	927/30	986/88
<b>HIGH</b>	1348.10/50	16.68/71	930/33	989/91
<b>LOW</b>	1340.10/50	16.56/59	924/27	984/86
<b>LAST</b>	1343.80/20	16.60/63	925/28	987/89

#### MARKETS/MACRO

The United States, in cooperation with Britain and France, launched missile strikes against Syria on Friday evening. The strikes targeted Syrian chemical weapons facilities and were a direct response to a chemical attack carried out in the country earlier in the week. The assault has heightened tensions between the US and both Russia and Iran, who support Syrian dictator Bashar al-Assad. The US stock markets, which had closed before the air strikes were reported, finished lower on Friday despite some positive first quarter earnings reports. The Dow lost 122.91 points, or 0.50%, to 24,360.14, the S&P 500 fell 7.69 points, or 0.29% to 2,656.30, while the Nasdaq sold off 33.598 points, or 0.47%, to 7,106.650. There were wins for energy (+1.09%) and utilities (+0.69%) while financials (-1.55%) and consumer discretionary (-0.57%) led the laggards. European equities were higher, the EuroSTOXX added 0.38 points, or 0.10%, to 379.20, the German DAX advanced 27.39 points, or 0.22%, to 12,442.40, and the London FTSE 100 rose 6.22 points, or 0.09%, to 7,264.56. In the currencies, the US dollar index added 0.05% to 89.80, the EUR was as low as 1.231, while USD/JPY traded up to 107.53. US treasury yields were mixed, the 2 year yield firmed 0.86 bps to 2.3566% and the 10 year yield eased 0.91 bps to 2.8267%. In commodities, oil prices were higher as Brent rose 0.78% to \$72.58 and WTI gained 0.48% to \$67.39. Base metals were mostly higher, with nickel (1.64%) leading the gains. In US economic data, the University of Michigan's consumer sentiment index fell to 97.8 in April from a reading of 101.4 in March. The index of current economic conditions fell to 115 from 121.2 in March, while the expectations index fell to 86.8 from 88.8. The Labor Department reported that job openings declined to 6.05 million in February from 6.23 million in January. In Asia today, as I write the Nikkei is at +0.21%, the Shanghai composite is at -1.34%, the Hang Seng at -1.51%, and the ASX S&P 200 is at +0.19%. Tonight we have retail sales, the Empire State index, the home builders index, and business inventories out of the US.

#### PRECIOUS

The precious mounted a rally after heavy losses in the previous session. Gold opened at \$1335 in Asia and found an early bid after the previous session's sell-off. The market reached \$1340 before a dip toward the opening level late in the day. London came in and bought the metal back above \$1340, however a sweep lower saw gold trade down to \$1333 late in the AM session. NY came in on the bid and sent the yellow metal up to \$1345, this was followed by a slow grind up to the days high of \$1346 late in the session. Silver followed a similar trajectory, with a rally in NY hours pushing the grey metal to equal the previous session high at \$16.68. Palladium capped off an impressive week by surging to an April high \$987, the metal put on over 9% for the week. The Philadelphia gold and silver index added 1.59%. The SPDR gold trust holdings were unchanged at 865.89 metric tonnes. In today's trading, news of the US air strike on Syria over the weekend have not had as big of an impact as we may have expected. Gold dipped to \$1340 on the open before rebounding quickly to \$1344. The high of \$1348.10 was reached with USD/JPY coming off and the SGE premium around \$8. The yellow metal is drifting lower as the afternoon progresses, it is sitting at \$1343.80 as I write. Silver has been fairly range-bound today, again finding resistance at the 16.68 level.



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The grey metal is at \$16.60 as I write. PGM's are flat. Gold should find some healthy support at the 55 DMA level at \$1331 and the April low of \$1321 below that. On the upside, expect resting orders around the \$1350 level and at the 3 month high \$1364 we saw last week. Have a good day ahead.

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