



## MKS PAMP GROUP

### Daily Asia Wrap

16<sup>th</sup> February 2018

Range Asian Hours  
(from Globex open)

	<b>GOLD</b>	<b>SILVER</b>	<b>PLATINUM</b>	<b>PALLADIUM</b>
<b>OPEN</b>	1353.60/80	16.86/88	1001/03	1019/21
<b>HIGH</b>	1359.80/00	16.91/93	1007/09	1023/25
<b>LOW</b>	1352.70/90	16.84/86	1000/02	1019/21
<b>LAST</b>	1357.50/70	16.90/92	1007/09	1023/25

#### MACRO

The empire state manufacturing survey showed the pace of growth in business conditions softened during February, with the index declining to 13.1 (exp: 18.0) from 17.7 previously. New orders and shipments index were broadly unchanged. Initial jobless claims in the U.S. pushed higher during the week ended February 10, increasing 7,000 to 230,000 (exp: 228,000). The four-week moving average ticked higher by 3,500 to 228,500, while continue claims added 15,000 to 1.942 million (exp: 1.925 million). The labour department reported PPI final demand increased +0.4% MoM during January to follow a flat read in December. Core PPI (excluding food, energy and trade) also increased +0.4% MoM (exp: +0.2%). Industrial production in the U.S. declined -0.1% MoM during January to follow a downwardly revised +0.4% gain in December (prev: +0.9%). A -1% fall in mining output was the main drag on the headline print, while capacity utilisation eased to 77.5% (exp: 78.0%) from 77.7% previously. Equity markets in the U.S. continued to climb higher on Thursday, booking a fifth consecutive session gain as the DJIA reclaimed the 25,000 handle. Amid volatile trade the S&P 500 was able to recover from early session weakness and book a +1.21% gain to 2,731.20 points, while the DJIA added +1.23% to 25,200.37 points with Cisco Systems surging +4.73% on strong earnings results to underpin the bourse. The greenback continued to slide on Thursday to book a fourth successive session decline, notably losing ground against the yen as investors pile into the safehaven asset. The buck slipped nearly -1% against the yen to test the 106.00 handle, while the euro pushed above 1.25, the pound attempted a move above 1.41 and the franc added +0.7%.

#### PRECIOUS

Early session malaise was countered by an extension of the recent greenback weakness during afternoon trade in Asia today, supporting bullion toward USD \$1,360 in illiquid conditions. With the majority of Asian centres on holiday today, gold spent early session trade edging sideways, while seeing resting interest around the New York close (USD \$1,353) to keep pricing buoyant amid a lack of price direction catalysts. Afternoon trade was a different story however, as the dollar took a further leg lower to break below 106.00 against the yen, while the euro continued to climb and print a 3-year high against the dollar. The currency moves underpinned a move higher for bullion, breaking toward USD \$1,360, however unable to capture the figure as a lack of follow through interest failed to break through layered offers. The yellow metal will set sights on a consolidated move through USD \$1,360 over the near term, with targets extending toward the January USD \$1,366 high and the 2016 high of USD \$1,375.



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