



MKS PAMP GROUP

Daily Asia Wrap

19th April 2018

Range Asian Hours
(from Globex open)

	GOLD	SILVER	PLATINUM	PALLADIUM
OPEN	1349.50/90	17.19/22	935/38	1035/37
HIGH	1353.60/00	17.26/29	948/51	1047/49
LOW	1347.90/30	17.11/14	935/48	1032/34
LAST	1353.60/00	17.24/27	947/50	1045/47

MARKETS/MACRO

US equities were mixed as a spike in oil prices bolstered energy stocks and huge losses for IBM weighed on the Dow. The Dow lost 38.56 points, or 0.16%, to 24,748.07, the S&P 500 rose 2.25 points, or 0.08% to 2,677.84, while the Nasdaq gained 14.137 points, or 0.19%, to 7,295.236. IBM lost 7.53% as their lacklustre quarterly earnings sparked a massive sell-off. There were wins for energy (+1.55%) and industrials (+1.02%), while consumer staples (-0.86%) and telecoms (-0.44%) led the laggards. European equities were higher, the EuroSTOXX added 1.09 points, or 0.29%, to 381.86, the German DAX crept up 5.26 points, or 0.04%, to 12,590.83, and the London FTSE 100 put on 91.29 points, or 1.26%, to 7,317.34. In the currencies, the US dollar index advanced 0.11% to 89.612, the EUR was as low as 1.2349, while USD/JPY traded up to 107.37. US treasury yields were higher, the 2 year yield firmed 3.53 bps to 2.4293% and the 10 year yield rose 4.43 bps to 2.8728%. Oil prices surged to levels last seen in late 2014 as the EIA reported US crude stockpiles fell by 1.1 million barrels last week. Brent climbed 3.17% to \$73.85 while WTI put on 3.35% to \$68.75. Base metals moved sharply higher as the fallout from US sanctions against Russia's Rusal spread through the base metal complex. Aluminium climbed 5.49% as the LME and CME suspended delivery of Rusal brands. Nickel was the biggest mover overnight, jumping 7.46% on news Russia's Norilsk Nickel may also be subject to US sanctions. In US economic data, mortgage applications rose 4.9% in the week ending April 13. In Asia today, as I write the Nikkei is at +0.41%, the Shanghai composite is at +0.97%, the Hang Seng at +1.20%, and the ASX S&P 200 is at +0.43%. Tonight we have weekly jobless claims, the Philly Fed index, and leading economic indicators out of the US.

PRECIOUS

Gold opened at \$1347 in Asia and drifted lower as USD firmed against the yen and the SGE premium eased to \$5-6, the market bottoming out at \$1342. London were buyers down here as the precious complex was led higher by a broad rally in base metals. Gold reached \$1350 by the time NY came in and investors there were happy to buy into the strength, the yellow metal squeezed to a session high \$1355. In choppy afternoon trading the metal was not able to close above the \$1350 level, finishing just under at \$1348. Silver surged almost 3% to the high of \$17.23, the grey metal trading above \$17 for the first time since early February. Palladium's astonishing run of gains continued, the metal climbed \$33 to a high of \$1044. Palladium has risen a staggering 16% over the last 8 trading days. The Philadelphia gold and silver index added 1.19%. The SPDR gold trust holdings were unchanged at 865.89 metric tonnes. In Asia today, gold hovered around the \$1350 level early on and started to firm as the Chinese came with the SGE premium back up at \$7. As I write the yellow metal is sitting at the high of \$1353.60. Silver traded back up to yesterdays highs at \$1726, the grey metal is at \$17.24 as I write. PGMs found a bid, platinum is up \$12 to \$947 and palladium traded as high as \$1047. Gold should find initial support around yesterdays low of \$1342 and at the 55 DMA \$1331 below that. On the upside, the metal is trading close to the recent resistance level at \$1355, a break through here and we could see another attempt at the 2018 high. Have a good day ahead.



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