



MKS PAMP GROUP

Daily Asia Wrap

9th January 2018

Range Asian Hours
(from Globex open)

	GOLD	SILVER	PLATINUM	PALLADIUM
OPEN	1320.00/40	17.13/16	968/71	1097/99
HIGH	1320.00/40	17.13/16	969/72	1110/12
LOW	1316.40/60	17.06/09	962/65	1097/99
LAST	1319.20/60	17.11/14	964/67	1106/08

MARKETS/MACRO

US equities were mixed as investors take a breather following the strong start to 2018, however a modest rally in tech shares ensured the Nasdaq posted a fresh record. The Dow slipped 12.87 points, or 0.05%, to 25,283.00; the S&P 500 rose 4.56 points, or 0.17% to 2,747.71, while the Nasdaq added 20.829 points, or 0.29%, to 7,157.386. There were wins for utilities (+0.94%) and REITs (+0.58%) while healthcare (-0.38%) led the laggards, European shares were mixed, the EuroSTOXX gained 1.06 points, or 0.27%, to 398.41, the German DAX put on 48.14 points, or 0.36%, to 13,367.78, and the London FTSE 100 shed 27.71 points, or 0.36%, to 7,620.68. In the currencies, the US dollar index rallied 0.44% to 92.358, the EUR traded down through 1.20 to 1.1959, while USD/JPY was as high as 113.37. US treasury yields were mixed, the 2 year yield fell 0.40 bps to 1.9559% and the 10 year yield firmed 0.19 bps to 2.4782%. In commodities news, the oil markets bull run continues as investors anticipate a tighter market in 2018 following a year of OPEC production cuts, Brent rose 0.33% to \$67.84 while WTI added 0.62% to \$61.82. Base metals were mostly higher, with zinc (+0.95) the biggest mover. In US economic data, the Federal Reserve reported consumer credit surged \$28bn in November, an 8.8% annualised rate, following a \$20.5bn increase in October. In Asia today, as I write the Nikkei is at +0.57, the Shanghai composite is at +0.08%, the Hang Seng at +0.37%, and the ASX S&P 200 is at +0.17%. Tonight we have the NFIB small business index, and job openings out of the US; unemployment data out of the Eurozone; and industrial production and balance of trade out of Germany.

PRECIOUS

In an ultimately range-bound session for the precious, gold managed a close above \$1320 in the face of a US dollar rally. Gold opened at \$1320 in Asia and slipped to the days low of \$1315 as USD/JPY started to push higher. The SGE premium was at \$5-6 which prompted only light action out of China. London came in around the session lows and promptly bought the metal back above \$1320, NY hours saw the yellow metal take another dip down to \$1316 before a late rally to close at \$1320. Silver succumbed to profit taking with the grey metal shedding 15c to close at \$17.09. Palladium was the star performer once again, a rally during NY hours saw the metal back above the \$1100 level. The Philadelphia gold and silver index lost 1.26% The SPDR gold trust holdings were unchanged at 834.86 metric tonnes. In todays trading, gold opened right on \$1320 was immediately testing the previous days lows at \$1315-16 before finding some support. The SGE premium was flat at \$5-6 over loco London. The yellow metal is at \$1319.20 as I write. Silver traded down to \$17.03 before ticking up to \$17.11 as I write. Palladium is the big mover again today, spiking to a fresh record high of \$1110. Gold should see resistance at the recent low of \$1315 and the psychological \$1300 level below that. On the upside, a break above last weeks high of \$1324 could see the yellow metal make a move on the September top of \$1355. Have a good day ahead.



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