



MKS PAMP GROUP

Daily Asia Wrap

26th February 2018

Range Asian Hours
(from Globex open)

	GOLD	SILVER	PLATINUM	PALLADIUM
OPEN	1328.60/80	16.49/51	995/97	1048/50
HIGH	1340.30/50	16.75/77	1006/08	1056/58
LOW	1326.90/10	16.49/51	994/96	1048/50
LAST	1339.80/00	16.70/72	1005/07	1055/57

MARKETS/MACRO

Equity markets in the U.S. finished the week on a positive note, benefitting from further declines to U.S. treasury yields to climb into positive territory over the week. The DJIA added +1.39% to 25,309.99 points, while the S&P 500 saw strength across Energy (+2.20%) and technology (2.17%) as all sectors finished in the black to support the bourse +1.60% higher to 2,747.30 points. The Nasdaq meanwhile snapped a four-session run of declines to bounce +1.77%. Over the week the DJIA added +0.4%, the S&P 500 gained +0.6% and the Nasdaq jumped +1.4%. The greenback saw mixed trade on Friday, ending modestly higher as the DXY pared early European gains in New York. The dollar regained the 107.00 handle against the yen amid whippy price action, while making notable gains against the euro to see the pair slip below 1.23 late in trade as the DXY booked a +0.1% gain. Oil futures turned bid in New York following tepid Asian/European trade on Friday, seeing WTI +1.5% higher to USD \$63.60 per barrel, while Brent crude withstood early European offers to end +1.6% higher at USD \$67.30 per barrel.

PRECIOUS

Asian trade on Monday saw Chinese interest return to the market follow their 'soft' opening late last week, with the Far East piling into bullion underneath USD \$1,330 following the recent New Year holiday. With the yellow metal trading around USD \$25 lower than it was when Shanghai closed for the Lunar New Year holiday, participants wasted no time bidding up the metal through mild resistance at USD \$1,330, with interest extending as far as USD \$1,338 into the Chinese lunch break. Physical demand piggybacked a softer greenback as USD/China took a leg lower to underpin bullion price action, with late Asian trade pushing through USD \$1,340 to see the yellow metal trade +0.9% higher into European hours. Over the near-term bullion is likely to see a tug-of-war between a (historically) generally weaker Q2 (in addition to further downwards pressure from the Fed) vs. inflation pressures and potential further gains to U.S. treasury yields. We still expect the metal to remain range-bound with a test toward USD \$1,305 - \$1,310 not out of the question, while top-side targets sit toward USD \$1,345 and \$1,350. Silver ripped through the USD \$16.50 pivot point to outperform and add +1.5% during Asian trade today, while platinum importantly reclaimed the USD \$1,000 handle (failed on Friday) and palladium made light work of USD \$1,050.



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