



MKS PAMP GROUP

Daily Asia Wrap

16th January 2018

Range Asian Hours
(from Globex open)

	GOLD	SILVER	PLATINUM	PALLADIUM
OPEN	1340.10/30	17.33/35	995/97	1130/32
HIGH	1342.20/40	17.36/38	999/01	1132/34
LOW	1338.60/80	17.32/34	994/96	1125/27
LAST	1341.20/40	17.34/36	995/97	1126/28

MARKETS/MACRO

The greenback booked further declines on Monday as equity and bond markets remained closed for the Martin Luther King Jr. Day Holiday. Continued euro strength weighed upon the dollar to see the DXY index off close to -0.5%, with the euro nearly +2% higher over the past two sessions. Traders noted spot volumes were elevated even amid the U.S. holiday, seeing almost double the recent daily average. Large moves against the dollar we also seen relative to the yuan following the People's Bank of China strengthening the daily fix by the most in three months. Dow futures added around +0.6% to set up a strong Tuesday for equities, while both the S&P futures (+0.13%) and the Nasdaq futures (+0.03%) were higher. Oil futures turned higher late in trade to book modest gains on Monday, seeing WTI add around +0.3% to USD \$64.60 per barrel, while Brent crude jumped +0.7% to end above USD \$70 per barrel. Gains to the euro weighed upon European equities on Monday, seeing the Stoxx Europe 600 -0.17% lower to 397.83 points, while the German Dax declined -0.34% to 13,200.51 points. In the U.K. the FTSE 100 eased -0.12% to 7,769.14 points, under pressure from a bid pound and contagion following news that construction firm Carillion PLC would enter liquidation.

PRECIOUS

Following strong Asian interest on Monday, bullion held a relatively narrow range throughout European hours and a shortened U.S. Session. Further dollar declines kept price action buoyant around USD \$1,340, however a lack of follow through interest limited top-side moves and the metal was unable to break above the USD \$1,344.80 Asian high. Asia opened with a mild bid bias on Tuesday, edging a few dollars higher in early pricing, before paring gains heading into the Chinese open. Early Shanghai dollar weakness, particularly USD/China underpinned a modest recovery to bullion and the metal spent the afternoon above USD \$1,340 leading into European trade. Vols are inching modestly higher with 1m sitting just underneath 10, however should we break through USD \$1,350 expected to see further gains. We are likely to see further short squeezes over the near-term as the metal edges toward USD \$1,350 and above this the September 2017 high around USD \$1,357 will be the ultimate target for bulls. Supportive interest around USD \$1,330 should restrict any further declines, however should we see a period of weakness, support broadly around USD \$1,305 - \$1,310 will act as a pivot point for the metal and will need to hold to continue the recent upward momentum. With regards to the white metals, palladium continues to hold around USD \$1,130 following Monday's record high of USD \$1,138, while



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platinum can't quite find the legs to reclaim USD \$1,000. Data releases today include German CPI, U.K. CPI and U.S. empire manufacturing.

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