



MKS PAMP GROUP

Daily Asia Wrap

29th January 2018

Range Asian Hours
(from Globex open)

	GOLD	SILVER	PLATINUM	PALLADIUM
OPEN	1350.25/45	17.40/42	1011/13	1092/94
HIGH	1351.90/10	17.47/49	1012/14	1093/95
LOW	1346.50/70	17.36/38	1007/09	1090/92
LAST	1348.40/60	17.36/38	1007/09	1090/92

MARKETS/MACRO

U.S. government data released on Friday showed GDP increased at an annual rate of +2.6% QoQ during Q4 2017, down on estimates centred around 3.0% and Q3's +3.2% result. Underpinning the figure was a tax-cut driven increase in business equipment investment, jumping at an +11.4% annualised rate. Friday's report also showed personal consumption at a +3.8% QoQ annualised to follow +2.2% previously. Durable goods orders in the U.S. spiked +2.9% MoM during December (exp: +0.8%) to follow an upwardly revised +1.7% gain the month prior (prev: +1.3%). The headline figure was driven by a +55.3% surge in orders for military aircraft, while the closely watched non-defence capital goods print slipped to -0.3% (exp: +0.6%) from a +0.2% increase previously. Each of the major U.S. stock benchmarks finished at record closing levels on Friday, buoyed by the robust GDP print to book a fourth consecutive weekly advance. The DJIA rose +0.85% to 26,616.71 points, while strength across healthcare (+2.17%) helped to see the S&P 500 +1.18% higher to 2,872.87 points and the tech-laden Nasdaq Composite jumped +1.28% to 7,505.772 points. The greenback remained under pressure on Friday, sliding against majors to see the DXY index -0.33% down on the session.

PRECIOUS

Bullion opened into dollar headwinds during Asian trade on Monday, seeing an initial bid tone extinguished, and with it, sinking below the USD \$1,350 pivot point. Soft physical demand and an offered bias in early Chinese trade saw the metal as low as USD \$1,346.50, however notably the on-shore premium in Shanghai remained robust toward USD \$8 over loco London bullion. Into month-end expect the yellow metal to trade heavily around USD \$1,350 in lieu of any major dollar moves, however any dips toward USD \$1,340 - \$1,345 are likely to garner solid interest to restrict further downside moves. Silver was unable to recapture USD \$17.50 during Asian trade today and struggled to find interest throughout the afternoon, while platinum remains under pressure and heads closer toward USD \$1,000 and palladium hold below USD \$1,100 following Friday's weakness. Data today includes U.S. personal income/spending as we head toward Wednesday's FOMC meeting/announcement and Friday's Nonfarm payroll print.

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