



## MKS PAMP GROUP

### Daily Asia Wrap

12<sup>th</sup> March 2018

Range Asian Hours  
(from Globex open)

	<b>GOLD</b>	<b>SILVER</b>	<b>PLATINUM</b>	<b>PALLADIUM</b>
<b>OPEN</b>	1323.20/40	16.59/61	965/67	997/99
<b>HIGH</b>	1324.30/50	16.59/61	967/69	997/99
<b>LOW</b>	1321.30/50	16.54/56	963/65	992/94
<b>LAST</b>	1322.80/00	16.55/57	963/65	992/94

#### MARKETS/MACRO

U.S. jobs data released on Friday showed nonfarm payrolls surged by 313,000 in February (exp: 205,000), while January saw an upwards revision to 239,000 from 200,000 previously. The participation rate edged higher to 63.0% (exp: 62.7%) from 62.7% previously, average hourly earnings increased +2.6% YoY to follow a modestly downwardly revised +2.8% gain in January (prev: +2.9%), while hours worked inched higher to 34.5 hours from 34.4 previously. The unemployment rate held at 4.1% (exp: 4.0%) and the broader 'U-6' measure of unemployment and underemployment, which includes those who have stopped looking and those in part-time jobs who want full-time positions was unchanged at 8.2%.

Equity markets in the U.S. ripped higher on Friday following the bullish jobs data, seeing the DJIA close back above 25,000 points for the first time since Feb 28. The bourse added +1.77% to 25,335.74 points to end +3.3% higher on the week, while strength across financials (+2.48%), industrials (+2.17%) and technology (+2.03%) led the S&P 500 +1.74% higher to 2,786.57 points, a +3.5% gain on the week. The greenback eased modestly on Friday following softer than expected wage growth in the U.S. however was able to book onto a third consecutive weekly gain.

#### PRECIOUS

The precious complex began the week in quiet fashion, holding a narrow range throughout the day while seeing underlying support from the far East. Early price action saw bullion drift lower from Friday's closing levels, as Tocom opened to an early offered bias and the dollar remained firm. Shanghai opened to an on-shore premium toward USD \$8 and provided support to the spot market, seeing bullion add around USD \$3 to move above USD \$1,324, while headlines regarding Japanese Prime Minister Shinzo Abe's wife and a cronyism scandal led to mild risk aversion in the afternoon to weigh upon USD/JPY. Gold is likely to continue to run into offers around USD \$1,330 (50 DMA) over the near term as participants adjust following Friday's strong U.S. jobs data, while an easing of tensions on the Korean peninsula should strip the metal of some lingering risk premium. Supportive price action should remain broadly between USD \$1,302 - \$1,312 as participants look to the metal to push higher over the medium-term, while respecting the USD \$1,300 - \$1,340 range over the near-term. With regards to the white metals it is worth noting the palladium held the 200 DMA of USD \$964 perfectly last week and has since



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added over +3.3% from the level. A close above USD \$1,000 will likely be required to encourage a further leg higher, however participants should be encouraged by light positioning, currently sitting toward the lowest level since 2016.

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