



## MKS PAMP GROUP

### Daily Asia Wrap

24<sup>th</sup> April 2018

Range Asian Hours  
(from Globex open)

	<b>GOLD</b>	<b>SILVER</b>	<b>PLATINUM</b>	<b>PALLADIUM</b>
<b>OPEN</b>	1324.60/00	16.60/64	918/21	981/83
<b>HIGH</b>	1327.60/00	16.68/71	921/24	985/87
<b>LOW</b>	1322.90/30	16.59/62	913/16	980/82
<b>LAST</b>	1326.50/90	16.66/69	916/19	983/85

#### MARKETS/MACRO

US treasury yields continued to rise as traders expectation of rising inflation increases. The 10 year yield moved closer to the psychological 3% level, the benchmark rate has not traded that high since January 2014. The 2 year yield firmed 1.91 bps to 2.4764% and the 10 year yield rose 1.5 bps to 2.9752%. US equities were marginally lower as rising bond yields put pressure on the stock market. The Dow slipped 14.25 points, or 0.06%, to 24,448.69, the S&P 500 crept up 0.15 points, or 0.001% to 2,670.29, while the Nasdaq fell 17.524 points, or 0.25%, to 7,128.602. There were wins for telecoms (+1.08%) and energy (+0.61%) while tech (-0.40%) and materials (-0.30%) led the laggards. European equities were higher, the EuroSTOXX added 1.34 points, or 0.35%, to 383.18, the German DAX gained 31.89 points, or 0.25%, to 12,572.39, and the London FTSE 100 rose 30.70 points, or 0.42%, to 7,398.87. The greenback was bid was bid overnight ahead of key economic releases slated for later in the week. The US dollar index rose 0.68%, the EUR traded down to 1.2198, and USD/JPY traded up to 108.72. Oil prices were higher, Brent added 1.27% to \$75.00 while WTI put on 0.76% to \$68.92. Base metals were lower, with aluminium (-7.05%) the big loser on news that the US Treasury Department eased sanctions on Russian aluminium producer Rusal. In US economic data, the Chicago Fed National Activity Index reading was 0.10 in March down from 0.98 in February, with weaker employment indicators weighing on the broader index. The National Association of Realtors reported that existing home sales rose 1.1% to a seasonally adjusted annual rate of 5.6M in March. The IHS Markit manufacturing PMI flash reading rose to 56.5 in April from 55.5 in March, while the services flash reading rose to 54.4 from 54. In Asia today, as I write the Nikkei is at +0.62%, the Shanghai composite is at +1.66%, the Hang Seng at -+1.07%, and the ASX S&P 200 is at +0.46%. Tonight we have the consumer confidence index, Case-Shiller home prices, and new home sales out of the US; and Ifo current conditions, expectations, and business climate out of Germany.

#### PRECIOUS

Gold loses ground for the third consecutive session as broad US dollar strength continued to put pressure on the precious complex. Gold opened at \$1334.90 and remained within the \$1332-35 range through Asian trading hours, with the SGE premium remaining around \$8. London were on the offer from the opening bell as the US dollar found a bid, gold was sold down to \$1327 before stabilising. NY were happy to sell here, the market reached a low of \$1322 and remained around the level for the remainder of the session. Heavy losses in base metals also reverberated through the precious, silver and palladium in particular were both heavily sold through key support levels. Silver shed almost 3% and palladium was hammered 3.6% to a low of \$973. The Philadelphia gold and silver index lost 2.19%. In Asia today, gold is higher following some choppy trading this morning, the SGE premium has firmed slightly to \$9 and we are seeing some buying out of China. The yellow metal is at \$1326.50 as I write. Silver is still hovering around last night's lows, as I write the grey metal sits at \$16.66. Very little price action in the PGMs. Gold should find close support between the 100 DMA at \$1318 and the \$1321 April low which held again last night, and around \$1308



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below that. On the upside, yesterdays high of \$1335 should provide some resistance with the \$1350 level providing the next target. Have a good day ahead.

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