



MKS PAMP GROUP

Daily Asia Wrap

6th April 2018

Range Asian Hours
(from Globex open)

	GOLD	SILVER	PLATINUM	PALLADIUM
OPEN	1327.20/60	16.38/41	909/12	906/08
HIGH	1333.10/50	16.43/46	914/17	907/09
LOW	1327.00/40	16.31/34	906/09	902/04
LAST	1327.30/70	16.31/34	909/12	903/05

MARKETS/MACRO

US equities closed higher for the third consecutive session on Thursday ahead of tonight's non-farm payroll data release. The Dow rose 240.92 points, or 0.99%, to 24,505.22, the S&P 500 gained 18.15 points, or 0.69% to 2,662.84, while the Nasdaq added 34.444 points, or 0.49%, to 7,076.552. There were wins for materials (+1.87%), energy (1.81%) and consumer discretionary (+1.37%) in a nearly broad advance in stocks. European equities soared in what was the best one day rally in two years, the EuroSTOXX climbed 8.80 points, or 2.40%, to 376.13, the German DAX advanced 347.29 points, or 2.90%, to 12,305.19, and the London FTSE 100 surged 165.49 points, or 2.90%, to 7,199.50. In the currencies, the US dollar index rose 0.34% to 90.447, the EUR traded down to 1.2221 while USD/JPY was as high as 107.45. US treasury yields were higher, the 2 year yield firmed 1.02 bps to 2.3026% and the 10 year yield added 2.93 bps to 2.8320%. In commodities, oil prices were higher as Brent rallied 0.69% to \$68.49 and WTI rose 0.57% to \$63.73. Base metals were mostly higher, with copper (1.37%) leading the gains. In US economic data, the trade deficit rose 1.6% to a nearly 10 year high of \$57.6 billion in February. Imports increased 1.7% to \$262 billion while exports also rose 1.7%. Initial jobless claims rose by 24k to 242k in the week ending March 31. Continuing claims fell 64k to 1.81 million. In Asia today, as I write the Nikkei is at +0.05%, the Shanghai composite is at -0.18%, the Hang Seng at +1.21%, and the ASX S&P 200 is at +0.10%. Tonight we have non-farm payrolls, unemployment rate, hourly earnings, and consumer credit out of the US; plus retail PMI out the Eurozone and industrial production from Germany.

PRECIOUS

Fairly ordinary session for the precious in the absence of China and ahead of tonight's NFP numbers. Gold opened at \$1332 and, after an early bump up toward \$1335, drifted lower through the day. Volume was thin without the Chinese participants and the firming USD/JPY put pressure on the market. London were a little more bullish and bought the metal back up to \$1330 during the morning session. Trading was choppy in early NY hours with the yellow metal printing the days low of \$1322, a more subdued afternoon saw gold finish up at \$1326. Silver fared better, the grey metal dipped to a low of \$16.19 in early NY trading but managed to rally and close at \$16.35. The rout in palladium continued, the metal was dumped to a seven month low \$901 and is now trading lower than platinum, which finished the session at \$911. The Philadelphia gold and silver index added 0.77%. The SPDR gold trust holdings rose 0.24% to 854.09 metric tons. In today's trading, gold found an early bid and traded up to \$1333 with the Chinese still out, however resting orders around yesterday's high capped the market. USD/JPY rebounded back above 107 and gold has now slipped back to the opening levels. The yellow metal is at \$1327.30 as I write. Silver traded up to \$16.43 earlier in the day but has slipped to \$16.31 as I write. PGMs are flat, with palladium finding support ahead of the \$900 level. All eyes on the US tonight for the NFP numbers, given the market volatility we have seen over the past week it would be no surprise to see some action following the release. Gold should find initial resistance at yesterday's high at \$1334 with the April high of \$1347 to follow. First support will be at \$1322 with the 100 DMA at \$1311 below that. Have a good day ahead.



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