



MKS PAMP GROUP
Asia Market Update
7th November 2018

Range Asian Hours
(from Globex open)

	GOLD	SILVER	PLATINUM	PALLADIUM
OPEN	1226.90/10	14.53/55	869/71	1117/19
HIGH	1232.00/20	14.61/63	874/76	1118/20
LOW	1223.30/50	14.48/50	867/69	1115/17
LAST	1229.30/50	14.61/63	874/76	1117/19

MARKETS/MACRO

Job openings in the U.S. fell during September according to the latest JOLTS report, with the number of positions waiting to be filled declining to 7.009 million from 7.293 million previously. The hiring rate decreased to 3.8% and the quit rate held unchanged at 2.4%. Equities in the U.S. eked out modest gains heading into the mid-term election results. The DJIA added +0.22% to 25,635.01 points, the S&P 500 ticked +0.04% higher to 2,755.45 points and the Nasdaq Composite ended up +0.07% at 7,375.965 points. The greenback saw muted trade on Tuesday as participants sat on the sidelines into the election results. The DXY eased around -0.08% for the session, losing notable ground against the pound following positive Brexit headlines. Treasury yields firmed modestly to see the 10-year 1.5bps higher at 3.214% and the two-year 2bps higher at 2.932%. Markets in Europe retreated on Tuesday as investors turned their focus toward the U.S. mid-term elections. The Stoxx Europe 600 shed -0.26% to 362.55 points, the German Dax eased -0.09% to 11,484.34 points and in the U.K. the FTSE 100 dropped -0.89% on the back of a firmer pound.

PRECIOUS

Bullion saw volatility in Asia today amid the developing U.S. election results, initially pushing back above USD \$1,230 before reversing gains as the greenback firmed. Early results favoured the Democrats and had the dollar markedly lower on the Comex re-open, supporting gold to a USD \$1,232 high on a mild stop loss run through USD \$1,230. The bid tone was however quickly extinguished around the Shanghai open, as mixed election reports created an air of uncertainty over earlier Democrat gains, underpinning a reversal to dollar and pressuring gold as low as USD \$1,223.50. USD/China firmed to see the on-shore premium around USD \$5 and keep downwards pressure on bullion throughout the Chinese session, however we saw interest move back into the market once the far East took lunch, pushing the yellow metal steadily back toward USD \$1,230. Currently it looks likely that the Democrats will control the House, while Republicans will retain the Senate. So far, we are seeing a mild offered bias to the dollar as the outcome becomes clearer, thus supportive for the precious over the near-term. The USD \$1,235 pivot point is still in play for an extension toward the recent USD \$1,243 high, while supportive price action continues to be evident broadly around USD \$1,225. Data today includes German industrial production, U.K. house prices and China foreign reserves.

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