



MKS PAMP GROUP
Asia Market Update
8th November 2018

Range Asian Hours
(from Globex open)

	GOLD	SILVER	PLATINUM	PALLADIUM
OPEN	1226.30/70	14.55/58	868/71	1133/35
HIGH	1226.90/30	14.57/60	872/75	1133/35
LOW	1222.70/10	14.50/53	866/69	1128/30
LAST	1222.90/30	14.53/56	870/73	1128/30

MARKETS/MACRO

In the US midterm elections, Democrats won control of the House of Representatives while Republicans held on to their majority in the Senate. Investors obviously liked the outcome as US equities rallied hard on the results, the Dow added 545.29 points, or 2.13%, to 26,1880.30, the S&P 500 rose 58.44 points, or 2.12%, to 2,813.89, while the Nasdaq climbed 194.79 points, or 2.64%, to 7,570.75. Big wins for consumer discretionary (+3.12%), healthcare (+2.94%) and tech (+2.88%) led a broad advance in the markets. European equities were higher, the EuroSTOXX gained 3.84 points, or 1.06%, to 366.39, the German DAX put on 94.76 points, or 0.83%, to 11,579.10, and the London FTSE 100 advanced 76.60 points, or 1.09%, to 7,117.28. Interesting night in the currencies, as election results trickled in through Asian hours and the London morning the USD was broadly sold, though sentiment toward the greenback reversed as NY came in. The dollar index ended up slightly lower 96.198 but was as low as 95.705 earlier in the session. The EUR peaked at 1.1495 before a retreat to 1.1423, while USD/JPY dipped below 113 before climbing up to 113.59. US treasury yields were higher, the 2 year yield firmed 3.5 bps to 2.942% while the 10 year yield rose 2.0 bps to 3.202%. Oil prices were mixed, Brent rose 0.2% to \$72.11 while WTI sold off 0.3% to \$61.74. Base metals were mixed, with aluminium (+1.8%) and zinc (-1.8%) the big movers. In US economic data, consumer credit rose by \$10.9bln to a seasonally adjusted \$3.95 trillion in September. In Asia today, as I write the Nikkei is at +1.99%, the Shanghai composite is at +0.61%, the Hang Seng is at +0.87%, and the ASX S&P 200 is at +0.43%. Tonight we have weekly jobless claims and the FOMC rates announcement out of the US.

PRECIOUS

Two way volatility characterised the market as US midterm election results came in. Gold opened at \$1227 and was volatile through Asian hours as we saw the first results out of the US, the market spiked to \$1231 before sweeping to the day's low of \$1222 and returning to opening levels all within the first few hours of trading. The SGE premium was around \$5-6 and decent buying action out of China saw the market trading at \$1228-30 through late Asian hours. London were on the bid from the open as the USD was broadly sold. The yellow metal traded to the \$1235 resistance level once again, after several attempts over the past week, and was once again rejected. Gold was at \$1231 by the time NY came in and was sold off throughout the remainder of the session with the greenback turned bid. The metal finished a volatile session all but flat at \$1225. Silver climbed to a high of \$14.71 during early trading before giving it all back in NY. Palladium was the standout performer, surging \$25 to a high of \$1135 and finishing only slightly below that level. The Philadelphia gold and silver index lost 1.09%. The SPDR Gold Trust holdings were down 0.19% to 755.23 metric tonnes. In Asia today, gold opened at \$1226.30 and



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has drifted lower through the day as USD/CNH catches a bid. The SGE premium is still at \$5-6 over loco London. The yellow metal is currently sitting just above the low at \$1222.90. Silver is edging lower, the grey metal is at \$14.53 as I write. Gold is trading right at the November lows that have held over the past week, next support should be at the \$1216 100 DMA level. On the upside, gold will need to close above the solid technical resistance at \$1235-36 before contemplating a move higher. Have a good day ahead.

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