



MKS PAMP GROUP

Asia Market Update

14th November 2018

Range Asian Hours
(from Globex open)

	GOLD	SILVER	PLATINUM	PALLADIUM
OPEN	1202.30/50	13.99/01	839/41	1114/16
HIGH	1204.60/80	14.04/06	841/43	1115/17
LOW	1201.50/70	13.98/00	835/37	1109/11
LAST	1203.00/20	14.00/02	837/39	1109/11

MARKETS/MACRO

Negotiators from both Britain and the European Union look to have struck a draft proposal for Brexit, however the agreement will now need to be passed by Theresa May's cabinet, with a meeting scheduled for 2pm Wednesday. The pound saw whippy trade following the Brexit breakthrough headlines, trading to a 1.3047 high after opening around 1.2850, before tempering into close and hanging onto a +0.95% gain at 1.2968. Stocks across Europe ended broadly higher following Brexit headlines, however gains were kept in check by further declines to global oil prices. The Stoxx Europe 600 posted a +0.67% gain to 364.44 points, while the German Dax surged +1.30% to 11,472.22 points as CPI printed in-line with estimates and the French CAC added +0.85% to 5,101.85 points. In the U.K., jobs data showed job vacancies at a record high with 845,000 unfilled positions, however the unemployment rate edged higher to 4.1% from the previous 43-year low of 4.0%. Wages (ex-bonuses) pushed +3.2% YoY higher in the last 3-months to mark the largest gain in a decade. Equities in the U.K. crept into positive territory (FTSE 100 +0.01%), however saw gains tempered by a surging pound on the back of Brexit optimism. Stocks in the U.S. ended lower, weighed down by further declines to oil prices. The DJIA slumped -0.40% to 25,286.49 points, the S&P 500 eased -0.15% to 2,722.18 points and the Nasdaq Composite closed flat on the session. Further pain for oil futures on Tuesday as WTI booked a twelfth successive session fall and the global benchmark Brent crude entered a bear market. WTI collapsed in New York to book a -6.4% decline, testing underneath USD \$55 per barrel, while Brent crude sunk -5.3%, off around -24% from its October peak to move into bear market territory. The greenback was dragged lower in New York as the pound (+0.95%) and the euro (+0.65%) firmed on the back of positive Brexit headlines.

PRECIOUS

After the overnight break underneath the psychologically important USD \$1,200, bullion held a relatively narrow range during Asian trade today. The yellow metal benefited from a softer dollar in early session pricing, while the on-shore premium in Shanghai pushed toward USD \$6 to underpin loco London interest. Afternoon pricing saw a modest recovery to the greenback weigh upon price action, however interest toward USD \$1,202 remained evident to keep the metal buoyant. Dollar flows continue to dictate gold direction, with Brexit developments putting the brakes on further declines to the metal on Tuesday. It remains to be seen whether this is just a short-term pause in a sustained move lower, however participants continue to seek out the metal as a safe-haven amid growing global growth concerns. Silver tested underneath USD \$14 overnight and again threatened a break below the figure during Asian trade today. The metal sits nervously around the key level and threatens a sustained move lower toward USD \$13.65 should the greenback remain bid. Data today includes German GDP, French CPI, U.K. CPI, Eurozone GDP and U.S. CPI.



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