



MKS PAMP GROUP
Asia Market Update
27th November 2018

Range Asian Hours
(from Globex open)

	GOLD	SILVER	PLATINUM	PALLADIUM
OPEN	1222.40/60	14.22/24	843/45	1147/49
HIGH	1223.20/40	14.25/27	844/46	1148/50
LOW	1220.60/80	14.21/23	841/43	1145/47
LAST	1221.80/00	14.24/26	842/44	1146/48

MARKETS/MACRO

The Chicago Fed National activity index accelerated during October, increasing to 0.24 (exp: 0.18) from a negatively revised 0.14 during September (prev: 0.17). The monthly print saw the less-volatile three-month moving average inch up to 0.31 from 0.30 previously. Employment related indicators helped to support the October headline figure, contributing 0.19 from just 0.05 during September, while overall there were month-on-month improvements to 51 indicators of the 85 total. Equities in the U.S. closed higher on Monday as market jitters dissipated for the time being following Brexit developments and expectations of firm U.S. holiday retail sales. The Dow posted a +1.46% gain to 24,640.24 points, strength across consumer discretionary (+2.59%) and technology (+2.25%) stocks helped the S&P 500 move +1.55% higher to 2,673.45 points, while the Nasdaq Composite jumped +2.06% to 7,081.852 points. The greenback (DXY +0.24%) shrugged off early Asian weakness to end higher on Monday, making notable gains against the yen (USD/JPY +0.6%) as risk made a return. The weekend developments out of the U.K. and Europe saw the respective currencies firmer throughout Asian and London hours, however gains were reversed in New York, with the latter under pressure following ECB President Draghi's acknowledgement of slowing growth in the region. Oil futures posted a positive session on Monday, with WTI booking its largest single-session gain in eight-weeks as speculation of an early agreement to cut production increased. The U.S. benchmark settled +2.4% higher at USD \$51.63 per barrel, while Brent crude added around +3% to USD \$60.48. Markets in Europe firmed on Monday, with sentiment buoyed by positive budget news out of Italy. The Stoxx Europe 600 posted a +1.23% gain to 356.76 points, the German Dax added +1.45% to 11,354.72 points and the French CAC ended +0.97% to 4,994.98 points. Stocks in London saw interest following the weekend Brexit developments, while a recovery to oil prices further helped to underpin the bid tone. The FTSE 100 gained +1.20% to 7,036.00 points, with further gains likely stymied by a firmer pound during the session.

PRECIOUS

It was a tale of two sessions on Monday, as gold firmed in Asia/Europe to move within sight of USD \$1,230, before paring gains in their entirety in New York. Still range-bound, the yellow metal was at the mercy of dollar flows, buoyed by gains to the pound and the euro, in addition to seeing solid interest through Globex and modest Chinese demand (USD/China easing). Dovish comments from ECB President Draghi saw a reversal to the earlier euro strength, weighing upon bullion in late London to see the metal pull back from the earlier USD \$1,228 high, before losses accelerated underneath USD \$1,225 during U.S. trade. Late New York saw headlines citing President Trump's willingness to increase tariffs on Chinese goods should the two parties fail to reach an agreement on trade during the upcoming G20 meeting. The news saw a modest bid to the dollar against majors, more so pronounced however against



MKS PAMP
GROUP

USD/China as both USD/CNY and USD/CNH opened higher on Tuesday. The move saw early weakness to bullion in Shanghai today, with gold moving sharply lower to test a break of USD \$1,220. Resting interest kept the figure in-tact as we have seen on multiple occasions over the past few sessions, while a modest afternoon offered bias to the greenback underpinned price action, albeit seeing gold hold a narrow range. We still remain held within a USD \$1,220 - \$1,230 range, and with little fundamental change we look toward the impact of President Trump's trade comments on equity markets in Europe and the U.S. today, with Asia generally higher. Further afield participants will be looking for clues as to the path of interest rate increases with Federal Reserve Chairman Jerome Powell speaking on Wednesday, while the minutes from the most recent FOMC meeting are released on Thursday and may provide further clues. Data today includes U.S. FHFA house price index and U.S. conference board consumer confidence.

Although the information in this report has been obtained from and is based upon sources MKS believes to be reliable, we do not guarantee its accuracy and it may be incomplete or condensed. All opinions and estimates constitute MKS' judgment as of the date of this report and are subject to change without notice. This report is for informational purposes only and is not intended as investment advice, offer or solicitation for the purchase or sale of an investment. This report does not consider or take into account the investment objectives or financial situation of a particular party.