



MKS PAMP GROUP

Asia Market Update

28th November 2018

Range Asian Hours
(from Globex open)

	GOLD	SILVER	PLATINUM	PALLADIUM
OPEN	1214.70/90	14.14/16	833/35	1155/57
HIGH	1215.30/50	14.17/19	834/36	1156/58
LOW	1213.60/80	14.13/15	831/33	1152/54
LAST	1214.10/30	14.15/17	831/33	1156/58

MARKETS/MACRO

Consumer confidence in the U.S. declined during November, sliding to 135.7 from 137.9 in October, marking the first fall in 5-months. The present conditions index edged up to 172.7 from 171.9 previously, while the expectations index softened to 111.0 from 115.1 previously. House prices growth in the U.S. slowed for the second consecutive month during September, with data from S&P/Case-Shiller (20-city NSA) showing a +5.15% annualised gain, down from +5.53% previously. Equities in the U.S. recovered from early session declines on Tuesday, shrugging off U.S. – China trade concerns to end in positive territory. The DJIA ended the session +0.44% higher at 24,748.73 points, gains to healthcare (+0.99%) and consumer staples (+0.91%) helped to offset weakness to energy stocks (-0.33%) as the S&P 500 posted a +0.33% gain to 2,682.17 points, while the Nasdaq Composite crept just +0.01% higher to 7,082.699 points. The greenback (DXY +0.33%) firmed on Tuesday after exhibiting weakness in Asia, largely gaining relative to the British Pound (GBP -0.65%) following renewed criticism over Theresa May's Brexit plan. Oil futures saw volatile trade in New York on Tuesday, as investors grappled with a firmer dollar, a potential slowdown in energy demand and expectations of output cuts. WTI flirted with a break underneath USD \$50 per barrel in early New York, however was able to recover late in trade to end generally unchanged, while Brent crude ended +0.33% higher at USD \$60.55 per barrel. Major European equity bourses finished in the red on Tuesday as investors considered the potential for further U.S. tariffs on China in addition to Brexit developments and the implication for trade between the U.K. and the U.S. The Stoxx Europe 600 pulled back -0.26% to 357.40 points, the German Dax declined -0.40% to 11,309.11 points, while in London the FTSE 100 handed back -0.27% as banks and oil stocks softened.

PRECIOUS

Tuesday's break underneath USD \$1,220 and subsequent test of USD \$1,210 looks to have pushed some participants to the sidelines, with gold tracking sideways throughout today's Asian session. The metal oscillated either side of USD \$1,215, picking up a mild bid bias in Shanghai as USD/CNH turned lower. Interest remained muted throughout the afternoon as participants look ahead to Federal Reserve Chairman Jerome Powell's speech today for indications as to the Federal Reserve's future interest increases, with focus then turning to the upcoming G20 meeting and any further tariffs imposed on China by the U.S. Worth noting is that we are seeing shift into the Feb futures contract from Dec, with volumes with the split around 40/60 currently. Although there remains scope for a recovery to bullion, expectations are that into the G20 the dollar will remain firm and weigh upon the metal now USD \$1,220 has broken. Initial support sits at USD \$1,210, however USD \$1,200 may be tested over the coming sessions. On the top-side USD \$1,220 now looms as a key resistance level and pivot point for the metal.



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All eyes tonight on the U.S. GDP print, with core PCE, wholesale inventories, new home sales and the Richmond Fed manufacturing index also released.

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