



**MKS PAMP GROUP**  
**Asia Market Update**  
**30<sup>th</sup> November 2018**

Range Asian Hours  
(from Globex open)

	<b>GOLD</b>	<b>SILVER</b>	<b>PLATINUM</b>	<b>PALLADIUM</b>
<b>OPEN</b>	1224.20/40	14.30/32	820/22	1180/84
<b>HIGH</b>	1225.30/50	14.34/36	821/23	1190/94
<b>LOW</b>	1223.60/80	14.29/31	813/15	1180/84
<b>LAST</b>	1224.10/30	14.32/34	814/16	1188/92

**MARKETS/MACRO**

Both personal income and personal spending in the U.S. outpaced expectations during October. Income gained +0.5% (exp: 0.4%) from +0.2% previously, while spending added +0.6% (exp: +0.4%) from a negatively revised +0.2% (prev: +0.4%). Core personal consumption expenditures (PCE), the Federal Reserve's preferred measure of inflation, inched up just +0.1% MoM (exp: +0.2%) to see the annualised figure ease to +1.8% YoY (exp: +1.9%) from +1.9% previously. Initial jobless claims in the U.S. spiked 10,000 higher to 234,000 (exp: 220,000) during the week ended November 24, marking the highest level of claims since mid-May. The weekly print saw the four-week moving average move 4,750 higher to 223,250, while continuing claims jumped 50,000 to 1.71 million (exp: 1.663 million). The minutes from the November Federal Reserve meeting were released on Thursday, indicating as widely expected, a further interest rate hike in December despite recent market volatility. While there was some concern surrounding the timing of future hikes past December, currently the committee is likely to approve a further three in 2019. Equity markets in the U.S. eased modestly on Thursday, finish off session highs that were printed following the Fed minutes release. The DJIA slipped -0.11% to end at 25,338.84 points, the S&P 500 wiped away -0.22% to 2,737.76 points, while the Nasdaq Composite handed back -0.25% to 7,273.082 points. The greenback was broadly unchanged following the previous session weakness, while treasury yields recovered from a mid-session slump that saw the 10-year briefly below 3%. Equity markets in Europe ended generally higher on Thursday, buoyed by the results of the U.K. bank stress tests. The Europe Stoxx 600 added +0.20% to 358.10 points, the German Dax eased -0.01% to 11,298.23 points, while the French CAC ended +0.46% higher to 5,006.25 points. In London the FTSE 100 gained +0.49% to 7,038.95 points as the pound softened on the back of expectations that the next BOE interest rate increase will be pushed back until early 2020.

**PRECIOUS**

Muted price action during Asian trade on Friday leading into the weekend G20 summit, with participants willing to sit on the sidelines and await the outcome of the anticipated U.S. – China meeting. The greenback eased marginally in early session flows, seeing gold test above USD \$1,225 as USD/CNH reversed an earlier bid tone, however there was little follow-through interest and the metal generally tracked sideways for the remainder of the session. Less than 20k lots passed through Globex during the session to give an idea of the tepid interest, with price action generally reserved for the white metals. Palladium continued to firm and pushed to a new all-time high at USD \$1,190 spot, with forwards tightening further on physical supply driven constraints. Platinum however struggles to find support in lieu



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of dollar weakness, seemingly only benefiting from contagion should the remainder of the precious find favour. The metal is eyeing a test of USD \$800 over the near-term, having last breached the figure in mid-September following a -9% decline to USD \$755 during August. With respect to gold, we are once again holding within the all-too-familiar USD \$1,220 - \$1,230 range, with the only exception being Tuesday's sharp decline in New York, which was aggressively reversed 24-hours later following Fed Chair Powell's comments. A weakened pivot remains at USD \$1,225, however broadly, positioning around USD \$1,218 - \$1,230 remains the key driver to near-term pricing. All eyes undoubtedly on the weekend G20 summit, with participants unlikely to on-board any risk into the event. Focus on U.S. – China trade discussions in Buenos Aires, while in the lead up today we see U.K. house prices, German retail sales, French CPI, Eurozone CPI and the Chicago PMI.

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