



MKS PAMP GROUP

Asia Market Update

31st October 2018

Range Asian Hours
(from Globex open)

	GOLD	SILVER	PLATINUM	PALLADIUM
OPEN	1222.60/00	14.45/48	835/38	1074/76
HIGH	1222.80/20	14.46/49	835/38	1080/82
LOW	1216.60/00	14.34/37	829/32	1074/76
LAST	1217.70/10	14.39/42	834/37	1079/81

MARKETS/MACRO

US equities showed some life after a tough week. The Dow added 431.72 points, or 1.77%, to 24,874.64, the S&P 500 rose 41.38 points, or 1.57%, to 2,682.63, while the Nasdaq gained 111.36 points, or 1.58%, to 7,161.65. Communications (+2.49%), energy (+2.30%) and materials (+2.26%) led a broad advance in the markets. European equities were mixed, the EuroSTOXX edged lower 0.02 points, or 0.01%, to 355.53, the German DAX lost 48.09 points, or 0.42%, to 11,287.39, and the London FTSE 100 put on 9.53 points, or 0.14%, to 7,035.85. In the currencies, the US dollar index advanced 0.32% to a 16 month high 96.997, the EUR traded down to 1.1340, while USD/JPY traded up to 113.08. US treasury yields were higher, the 2 year yield firmed 1.6 bps to 2.847% while the 10 year yield rose 1.1 bps to 3.113%. Oil prices were lower on concerns that demand for fuel would be impacted by US-China trade war and indications that Saudi Arabia and Russia could increase production. Brent sold off 1.5% to \$75.94 while WTI eased 1.5% to \$66.16. Base metals were mostly lower, with zinc (-2.7%) leading the losses. In US economic data, the Conference Board's consumer confidence index rose to 137.9 in October from a revised 135.3 in September. The Case-Shiller home price index rose a seasonally adjusted 0.1% and was 5.5% higher year on year, which is the lowest annual increase in 20 months. The national homeownership rate was 64.4% in the third quarter. In Asia today, as I write the Nikkei is at +1.55%, the Shanghai composite is at +0.85%, the Hang Seng is at +0.63%, and the ASX S&P 200 is at -0.22%. Tonight we have ADP employment, the employment cost index, and Chicago PMI out of the US; along with unemployment rate, and inflation rate out of the Eurozone.

PRECIOUS

Gold opened at \$1229 in Asia and quickly firmed to what would end up as the day's high at \$1230. The market retraced to \$1226 on the SGE open with the premium at around \$5-6, we saw some buying out of China but a strengthening in USD/JPY put pressure on gold. The metal eased into the London and dropped to the day's low of \$1219 during the AM session. A mini rally in early NY trading saw gold back at \$1225. The yellow metal came under pressure as US equities bounced back, but the market held on at \$1222. Silver tested the previous session lows but managed to finish slightly ahead at \$14.44. In the PGMs, palladium was sold to a low of \$1068 while platinum traded sideways to a finish at \$833. The Philadelphia gold and silver index rose 1.14%. SPDR Gold Trust holdings were unchanged at 754.94 metric tonnes. In Asia today, gold has come under further pressure as USD/JPY continues to rise. The SGE premium is unchanged at \$-6 over loco London. The yellow metal was sold through the 100 DMA at \$1219 to a low of \$1216, and is at \$1217.70 as I write. Silver posted a 3 week low at \$14.34, the grey metal is currently sitting at \$14.39. Palladium is bucking the trend and creeping higher, the metal is up \$5 to \$1079 as I write. Have a good day ahead.



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