



## MKS PAMP GROUP

### Daily Asia Wrap

5<sup>th</sup> November 2018

Range Asian Hours  
(from Globex open)

	GOLD	SILVER	PLATINUM	PALLADIUM
OPEN	1233.00/20	14.74/76	867/69	1115/18
HIGH	1234.60/80	14.76/78	870/72	1122/25
LOW	1231.40/60	14.70/72	866/68	1113/16
LAST	1232.50/70	14.71/73	869/71	1120/23

#### MARKETS/MACRO

U.S. payrolls ripped higher during October, outpacing expectations to increase 250,000 (exp: 200,000) from a downwardly revised 118,000 in September (prev: 134,000). The unemployment rate held at 3.7%, while wage growth on an annualised basis jumped to +3.1% YoY from 2.8% previously to mark the first time since April 2009 that wage growth has topped 3%. The labour force participation rate inched higher to 62.9% from 62.7% in September, while the underemployment rate, which includes those that want to work but have given up searching and those working part-time because they cannot find full-time employment, eased to 7.4% from 7.5% previously to match the 17-year low printed in August. Factory orders in the U.S. pushed +0.7% higher during September (exp: +0.5%) from an upwardly revised +2.6% during August (prev: +2.3%). Durable goods orders meanwhile increased +0.7% MoM, slightly lower than the +0.8% initially reported, while durable good (ex-transportation) printed flat from +0.1% previously reported and capital goods orders (non-defence ex-air) held at -0.1% MoM. Equities in the U.S. ended lower on Friday, largely a result of conflicting headlines over the state of the U.S. – China trade negotiations. The DJIA declined -0.43% to 25,270.83 points, the S&P 500 fell -0.63% to 2,723.06 points and the tech-laden Nasdaq Composite retreated -1.04% to 7,356.994 points as Apple tanked -6.63%. Over the week both the DJIA and S&P 500 added +2.4% and the Nasdaq Composite climbed +2.7%. The greenback closed modestly higher on Friday, paring early session declines to see the DXY +0.2% higher at the close. The buck firmed following the robust jobs data, reversing earlier Euro strength and gaining +0.5% against the yen as the pair pushed through 113.00. Treasury yields jumped on Friday after the release of the firmer than expected wages data, taking the 10-year 8bps higher to 3.2217% and the two-year 6bps higher to 2.911%.

#### PRECIOUS

The precious complex kicked off the week in relatively muted fashion during Asian trade on Monday, held within the recent USD \$1,230 - \$1,235 range over the duration of the session as the greenback firmed marginally following a soft open. Bullion printed an early session high of USD \$1,235 as the dollar opened under pressure, however offers around the resistance level kept further top-side gains in check leading



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into the Shanghai open. The mixed U.S. – China trade headlines saw USD/China firm in late New York trade on Friday, with further strength evident in Asia today to weigh upon the premium in China and pressure spot gold to a session low of USD \$1,231.40. Afternoon pricing saw the greenback extend gains to keep price action subdued and this trend is likely to continue as we head into Tuesday’s U.S. mid-term elections. Initial resistance sits toward USD \$1,235, however expect to see the broader USD \$1,230 - \$1,240 range hold over the near-term. Silver ripped higher in New York on Friday to print a USD \$14.90 session high, however saw a mild offered bias throughout Asian trade today. The metal never really saw a great deal of top-side interest, settling toward USD \$14.70 whereby supportive price action restricted any further declines. Platinum firm modestly in afternoon trade to consolidate Friday’s gains, while palladium outperformed to test the recent USD \$1,125 resistance level. Today we see Markit U.K. services/composite PMI prints, Markit U.S. services / composite PMI and the U.S. ISM non-manufacturing PMI.

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