



MKS PAMP GROUP

Daily Asia Wrap

7th November 2017

Range Asian Hours
(from Globex open)

	GOLD	SILVER	PLATINUM	PALLADIUM
OPEN	1280.90/30	17.23/26	933/36	998/00
HIGH	1280.90/30	17.23/26	933/36	999/01
LOW	1278.30/80	17.09/12	926/29	996/98
LAST	1279.00/40	17.13/16	929/32	996/98

MARKETS/MACRO

US equities were marginally higher despite the absence of any major economic data, with the three major bourses posting fresh record highs. The Dow inched up 9.23 points, or 0.04%, to 23,548.42; the S&P 500 gained 3.29 points, or 0.10% to 2,591.13, while the Nasdaq rose 22.0 points, or 0.33%, to 6,786.44. There were wins for energy (+2.20%), REITs (+1.53%) while telecoms (-2.44%) led the laggards. European shares were narrowly mixed, the EuroSTOXX advanced 0.53 points, or 0.13%, to 396.59, the German DAX slipped 10.07 points, or 0.07%, to 13,468.79, and the London FTSE 100 crept up 1.93 points, or 0.03%, to 7,562.28. In currency majors, the US dollar index gave up 0.20% to 94.753, the EUR traded up to 1.1616 despite dropping as low as 1.1582 during London hours, while USD/JPY was as low as 113.73. US treasury yields were lower, the 2 year yield declined 0.19 bps to 1.6126% and the 10 year yield slipped 1.62 bps to 2.3163%. In commodities news, oil markets are riding high after the Saudi Crown Prince Mohammad bin Salman ordered the arrest of several princes and ministers in an effort to crackdown on corruption. The purge is believed to be a move to consolidate power, and given the Crown Prince is a key supporter of the OPEC production cuts the move has seen oil prices surge to 2 year highs. Brent climbed 2.93% to \$57.27 while WTI jumped 3.29% to \$64.11. Base metals mostly higher, with nickel (+1.53%) the biggest mover. In Asia today, as I write the Nikkei sits at +0.82%, the Shanghai composite is at +0.64%, the Hang Seng at +1.26%, and the ASX S&P 200 at +0.83%. Tonight we have the NFIB small business index, job openings, and consumer credit out of the US; retail data out of the Eurozone; and industrial production out of Germany.

PRECIOUS

Buoyant session for the precious as gold manages a close above \$1280. Gold opened at \$1270 in Asia and was quickly testing the \$1265-66 support that has held throughout the month as USD/JPY jumped to 114.5. The SGE premium at \$10 prompted decent buying action but dollar pressure kept the price below \$1270 through the Asian session. The market traded sideways around \$1270 through the London AM before taking off in NY hours as the greenback softened. The yellow metal jumped \$12 to a high of \$1282 before settling to finish at \$1281, the first close above \$1280 since October 24th. Silver's chart was a mirror image of the disappointing session on Friday, the grey metal traded sideways through Asia and London hours before rocketing over 2% to a high of \$17.24 in NY trading. Palladium made another move at the recent highs around \$1006 before dropping to \$991 and recovering to a finish at \$1000 in whippy trade. Platinum made a nice \$13 move to a close at \$931. The Philadelphia gold and silver index added 1.92%. Gold ETFs bought 6koz overnight. In Asia today, we expected to see some interest in gold following the close above \$1280 however Chinese selling, with the SGE premium lower at \$7-8, appears to be capping the market. The yellow metal is at \$1279.00 as I write. Silver opened at \$17.23 and was offered immediately, the grey metal drifted to a low of \$17.09 and has recovered slightly to sit at \$17.13 as I write. PGMs are trading sideways. Gold should find initial support at the \$1276 100 dma and below that at the \$1265 level. On the upside, first resistance is at the November high of \$1283 followed by \$1290. Have a good day ahead.



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