



MKS PAMP GROUP

Daily Asia Wrap

10th November 2017

Range Asian Hours
(from Globex open)

	GOLD	SILVER	PLATINUM	PALLADIUM
OPEN	1285.00/20	16.99/01	937/39	1012/14
HIGH	1286.90/10	17.03/05	938/40	1013/15
LOW	1284.20/40	16.99/01	936/38	1009/11
LAST	1285.60/80	17.02/03	937/39	1009/11

MARKETS/MACRO

Initial jobless claims in the U.S. edged modestly higher during the week ended November 4, adding 10,000 to a seasonally adjusted 239,000 (exp: 232,000) to follow a near 44 year low of 229,000 the week prior. The print saw the four-week moving average decline 1,250 to 231,250 to mark the lowest level since March 1973, while continuing claims increased 17,000 to 1.901 million (exp: 1.885 million) during the week ended October 28. U.S. wholesale inventories increased +0.3% MoM during September, in-line with earlier estimates, however down from August's +0.8% print. Wholesale stocks ex-autos, the component of wholesale inventories that is used in the calculation of GDP increased +0.42%. Sales at wholesalers rose +1.3% (exp: +0.9%) in September to follow a +1.9% gain during August, while wholesale auto sales edged +0.7% to pull back from a +4.4% increase the month prior. Equity markets in the U.S. pulled back from recent highs on Thursday, weighed down by concerns over delays to tax reform. The DJIA posted a -0.43% decline to 23,461.94 points, marking the largest single-session decline for the bourse since late October. Weakness across industrials (-1.28%) and materials (-0.87%) dragged the S&P 500 -0.38% lower to 2,584.62 points, while the Nasdaq Composite pulled back -0.58% to 6,750.053 points. Oil prices rebounded on Thursday, buoyed by reports that Saudi Arabia had urged its nationals to leave Lebanon, raising fears that there may be further military action in the region. WTI added +0.6% to USD \$57.17 per barrel, ending just shy of Monday's two-year high of USD \$57.35, while Brent crude gained +0.7% to end just underneath USD \$64 per barrel. The greenback traded lower on Thursday following reports that the U.S. Senate Finance Committee proposed to delay a corporate tax cut to 20% out until 2019. The DXY saw mixed trade, however generally tracked lower throughout the session to end down -0.4%.

PRECIOUS

Thursday's dollar weakness supported bullion to a near three-week high in New York, tacking on +0.33% to end around USD \$1,286.30 for the highest close since mid-October. The yellow metal saw good support toward USD \$1,280 in early Asian pricing and withstood modest downward pressure in New York to ultimately turn higher as equities traded under pressure. Friday's Asian session was a generally subdued affair, with the yellow metal initially bid on the back of a softer greenback, however unable to trouble the previous session high print in early trade. Weakness out of China took bullion toward USD \$1,285 with little movement in the on-shore premium, however afternoon price action was generally supportive amid further dollar weakness to restrict any further declines. Bullion continues to see interest conducive to further price action toward USD \$1,300, with strength underpinned by the recent news of



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delays to tax reform out of the U.S. weighing upon the greenback and U.S. equity markets. Expect USD \$1,280 to offer initial support, while below this the 100 DMA (USD \$1,277.50) should see broad support toward USD \$1,275. Silver disappointed in New York on Thursday, reversing Asian and European gains to ease back below the USD \$17 pivot point, as the safe-haven demand spurring gold pricing failed to transfer into the grey metal. The metal failed to garner support during Asian trade on Friday, however on a positive note, was able to reclaim the USD \$17 handle and this will continue to be the barometer for pricing. Data releases today include industrial and manufacturing production prints out of France and the U.K., trade balance out of the U.K. and the U.S. University of Michigan consumer sentiment gauge.

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