



MKS PAMP GROUP

Daily Asia Wrap

16th November 2017

Range Asian Hours
(from Globex open)

	GOLD	SILVER	PLATINUM	PALLADIUM
OPEN	1278.10/30	16.98/00	931/33	986/88
HIGH	1279.80/00	17.01/03	932/34	987/89
LOW	1275.70/90	16.97/99	930/32	985/87
LAST	1275.80/00	17.01/03	931/33	986/88

MACRO

Consumer prices in the U.S. increased +0.1% MoM during October (exp: +0.1%) to follow a +0.5% increase the month prior. Excluding the volatile food and energy categories, the so-called core CPI figure increased +0.2% MoM (exp: +0.2%) from +0.1% previously. On an annualised basis CPI eased to +2.0% YoY (exp: +2.0%) from +2.2% during September, while core CPI nudged +0.1% higher to +1.8% YoY to outpace the expected +1.7% forecasted and mark the strongest annual gain since April. U.S. retail sales increased +0.2% MoM during October (exp: 0.0%) to follow an upwardly revised +1.9% gain during September (prev: +1.6%). The headline figure saw weakness across service stations, with receipts falling -1.2% following a +6.4% print in September, while sales at gardening and building material stores also declined -1.2% to follow a +3.0% gain in September. Core retail sales, the figure that is more in-line with that used in the calculated of GDP, increased +0.3% MoM to follow a +0.5% increase in September. The Commerce Department reported U.S. business inventories remained unchanged during September (exp: 0.0%) from a +0.6% increase the month prior. Retail inventories declined -0.9%, while business sales increased +1.4%. After hitting a three-month high in October, the Empire manufacturing index remained robust during November, printing 19.4 (exp: 25.1) from 30.2 previously. Future business conditions and future new orders both improved, the latter printing a multiyear high of 53.7. Soft oil prices and further concerns over tax reforms sent the major U.S. equity bourse's lower on Wednesday, seeing both the DJIA and the S&P 500 to their largest single-session percentage declines since September. The DJIA ended the session -0.59% lower at 23,271.28 points, while energy (-1.17%) led nine of eleven components of the S&P 500 lower as the bourse handed back -0.55%. Oil futures booked their lowest finish in around to two weeks following an EIA report noting an increase in domestic crude inventories. The EIA reported an increase in supplies of 1.9 million barrels for the week ended November 10, at odds with expectations of a 1 million barrel decline. The data saw WTI -0.7% lower at the close, while Brent crude declined -0.6% to just under USD \$62 per barrel.



PRECIOUS

Gold reversed early session gains during New York trade on Wednesday to finish modestly lower, unable to find a bid amid falling global equity markets and a mixed greenback against majors. It was a generally positive session for bullion throughout Asian and European trade, well supported toward USD \$1,280 during late Asian hours, before touching a USD \$1,289.25 session high into the U.S. CPI print. A generally positive inflation print soon put the brakes on further gains (further support to a December interest rate increase), reversing the earlier bid tone as the metal turned sharply offered. Initial support toward USD \$1,280 held momentarily, however downward pressure on Comex soon chewed through bids around the figure to see bullion knock out stops and settle around USD \$1,277 into the close for a -0.2% decline. Asian trade on Thursday failed to entice participants into the market, seeing bullion hold generally range-bound as the dollar edged sideways and regional equities traded firmer. Late Asian dollar strength saw the greenback through 113.00 against the yen (early session 112.76 low) to weigh upon bullion into European hours, however the metal was well supported toward USD \$1,275 to restrict further declines. Interest toward USD \$1,279 (100 DMA) - \$1,282 looms as a pivot point for gold over the near-term, with a consolidated break once again opening up a test into the USD \$1,290's and potentially USD \$1,300. Down-side support has been evident around USD \$1,275 during Asian hours today, while Tuesday's USD \$1,270 low should see resting bids, with strong support below this at the 200 DMA of USD \$1,264.50. Silver spent today's Asian session either side of USD \$17, however has shown little respect for the figure in recent sessions, rather interest toward USD \$16.90 would be a better gauge of supportive price action over the near-term. Of the white metal's it was platinum that stood out on Wednesday in New York, initially reacting to developments out of Zimbabwe, however paring gains into the close. Data today includes U.K. retail sales, eurozone CPI, U.S. initial jobless claims, the Philadelphia Fed business outlook, U.S. import prices and U.S. industrial production.

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