



## MKS PAMP GROUP

### Daily Asia Wrap

21<sup>st</sup> November 2017

Range Asian Hours  
(from Globex open)

	<b>GOLD</b>	<b>SILVER</b>	<b>PLATINUM</b>	<b>PALLADIUM</b>
<b>OPEN</b>	1276.60/80	16.92/94	925/27	990/92
<b>HIGH</b>	1280.60/80	16.97/99	929/31	994/96
<b>LOW</b>	1276.60/80	16.92/94	925/27	989/91
<b>LAST</b>	1280.10/30	16.95/97	928/30	992/94

#### MACRO

The U.S. leading index outpaced expectations during October to increase +1.2% (exp: +0.8%) to follow an upwardly revised +0.1% gain (prev: -0.2%) during September. Ataman Ozyildirim, Director of Business Cycles and Growth Research at the Conference Board commented with the release; “The growth of the LEI, coupled with widespread strengths among its components, suggests that solid growth in the U.S. economy will continue through the holiday season and into the New Year.” Equity markets in the U.S. ended higher on Monday amid subdued trading volumes on account of the shortened Thanksgiving Day holiday this week. The DJIA eased late in trade however was able to book a +0.31% gain and end at 23,430.33 points, while positive trade to telecoms and financials saw the S&P 500 close +0.13% higher at 2,582.14 points. Political news out of Europe on Monday saw negotiations between Angela Merkel’s Christian Democratic Party and both the Free Democratic Party and the Greens break down. Four weeks of talks between the three parties has failed to produce a governable union and now raises concerns over Merkel’s political future two months after the general election. Equity markets across Europe largely ignored the political dramas out of Germany on Monday, recovering from early session jitters to end trade in positive territory. A weaker regional currency helped support markets higher as the Stoxx Europe 600 booked a +0.67% gain, while the German Dax added +0.5% after opening close to -0.5% lower. In the U.K. the FTSE 100 (+0.12%) edged into positive territory on Monday, however saw gains tempered somewhat as the pound extended late Asian gains throughout European hours.

#### PRECIOUS

A disappointing session for bullion on Monday, reversing Friday's gains in their entirety to end -1.2% down from opening levels in Asia. Dollar headwinds in conjunction with bid global equities outweighed any political uncertainty in the U.S. and Germany that may have buoyed the metal, seeing gold well offered from the New York open as recent long positioning likely exited as bullion moved away from the psychological USD \$1,300 level. Support around the 50 DMA and 100 DMA at USD \$1,286 and USD \$1,280.50 respectively provided periods of modest respite, however ultimately the yellow metal broke to a USD \$1,274.50 low and saw little interest into the close. Asian trade today saw gold modestly firmer to test toward the 100 DMA in afternoon pricing, seeing mild interest out of China as the on-shore premium recovered from Monday's weakness. With a lack of dollar movement to drive direction, technical flows kept price action buoyant, while political instability in Europe and the ongoing tax reform



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debate in the U.S. continues to support interest in bullion. Expect seasonal demand in conjunction with strong technical interest toward the 200 DMA at USD \$1,265 to keep price action buoyant over the near-term, however sizeable open interest in December gold around USD \$1,300 coupled with Thanksgiving Holidays this week is likely to see any moves toward USD \$1,295 - \$1,300 well offered. Silver slipped below the USD \$17 pivot point on Monday, however was able to hold within sight of the figure during Asian trade today, while platinum posted modest gains today following the brutal -2.7% fall on Monday and will look toward strong support around USD \$912. Data releases of note today include the Chicago Fed National activity index and U.S. existing home sales.

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