



MKS PAMP GROUP

Daily Asia Wrap

23rd November 2017

Range Asian Hours
(from Globex open)

	GOLD	SILVER	PLATINUM	PALLADIUM
OPEN	1291.40/60	17.12/14	938/40	1005/07
HIGH	1291.60/80	17.12/14	938/40	1005/07
LOW	1288.50/70	17.06/08	933/35	1003/05
LAST	1289.10/30	17.10/12	934/36	1004/06

MACRO

Minutes from the most recent FOMC meeting released late on Wednesday showed most policymakers believed the tightness in the labour market would eventually fuel higher inflation over the medium-term. Concerns were however raised over the inflation outlook, with a greater emphasis now being placed upon upcoming data releases. Initial jobless claims in the U.S. declined 13,000 to a seasonally adjusted 239,000 (exp: 240,000) during the week ended November 18. The print marked the 142nd straight week that claims below the key 300,000 level, the longest such stretch since 1970. The four-week moving average inched 1,250 higher to 239,750, while continuing claims for the week ended November 11 increased 36,000 to 1.904 million (exp: 1.88 million). Durable goods orders in the U.S. sunk -1.2% MoM during October (exp: +0.3%) to follow an upwardly revised +2.2% increase during September (prev: +2.0%). The closely watched new orders for non-defence capital goods ex-air pulled back -0.5% (exp: +0.5%) to follow a +2.1% gain previously, marking the largest decline in over 12-months. The University of Michigan's measure of consumer sentiment edged higher in November, printing 98.5 (exp: 98.0) from a previous estimate of 97.8, however down from October's 100.7. Both the measure of current conditions and expectations were down from October's levels. U.S. equity markets were generally lower on Wednesday in quiet pre-Thanksgiving trade, weighed down by a soft durable goods print and uncertainty surrounding the pace of interest rate increases going forward. The DJIA ended the session -0.27% lower at 23,526.18 points, declines to financials (-0.40%) saw the S&P 500 close -0.08% down, while the Nasdaq bucked the trend to inch +0.07% higher. The greenback traded under pressure on Wednesday following weak data and mixed messages from the FOMC. The DXY ended trade -0.8% lower, notably falling against the yen to a low of 111.14 after opening toward 112.50 in Asia.



PRECIOUS

Bullion posted gains on Wednesday, buoyed by a weaker dollar and generally tracking inverse to USD/JPY throughout the session. A mild offered bias during Asian trade saw interest toward USD \$1,280 underpin the metal, while the weakness was short-lived as dollar declines accelerated into European hours. Late Asian session regional demand out of China (USD/Asia softer during the lunch break) provided a modest bid as the on-shore premium extended toward USD \$10, and in conjunction with the greenback weakness saw the yellow metal briefly test through USD \$1,285.00 (50 DMA). A softer than expected durable goods print out of the U.S. saw gold through the 50 DMA in early New York trade, with the move through the figure enticing spec interest and providing supportive price action into the Fed minutes release. Mixed signals out of the Fed somewhat dampened interest rate expectations beyond December's meeting, in-turn seeing a further extension of the earlier dollar weakness to see bullion to a USD \$1,294 session high, before tempering marginally into the close. Asian interest on Thursday was skewed to the down-side following the positive price action in the U.S., with bullion tempering the overnight gains as the greenback provided little direction for the precious complex. Modest weakness around the Chinese open saw the yellow metal test a break of USD \$1,290, however it wasn't until Europe filtered in that figure was significantly broken to print a USD \$1,288.50 session low. A shortened session today due to the Thanksgiving holiday in the U.S. should see the precious complex hold a narrow range over the next few days and it is difficult to see any top-side moves legitimately through the recent high print for a test toward USD \$1,300. Conversely expect to see resting bids broadly around the 100 DMA at USD \$1,282 and extending as far as USD \$1,275 restrict moves to the down-side.

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