



MKS PAMP GROUP

Daily Asia Wrap

9th November 2017

Range Asian Hours
(from Globex open)

	GOLD	SILVER	PLATINUM	PALLADIUM
OPEN	1281.50/70	17.03/05	931/33	1016/18
HIGH	1285.10/30	17.09/11	933/35	1020/22
LOW	1280.10/30	17.02/04	930/32	1016/18
LAST	1284.00/20	17.08/10	932/34	1019/21

MARKETS/MACRO

U.S. mortgage applications were little changed during the week ended November 3, holding at the lowest level since mid-February even as the 30-year fixed rate declined to 4.18% from 4.22% the week prior. Equities in the U.S. continued to book fresh record closing levels on Wednesday, marking the 27th occasion this year that all three of the major benchmarks have closed in record territory. Investors held stocks relatively range-bound awaiting further progress on the Republican's tax reform, with late session interest taking the DJIA +0.03% higher to 23,563.36 points. Gains to consumer staples (+1.08%) helped to offset weakness across financial stocks (-0.60%) to have the S&P 500 +0.14% higher at 2,594.38 points, while gains to Apple (+0.27%) helped the tech-laden Nasdaq to a +0.32% gain at 6,789.118 points. The greenback struggled for direction on Wednesday amid uncertainty surrounding the timing of the Republican tax reform package, ending the session little changed (DXY -0.01%) and unable to reclaim 114.00 against the yen. Oil futures saw whippy price action on Wednesday as participants digested mixed inventory figures. A report out of the EIA noted domestic crude supplies increased by 2.2 million barrels for the week ended November 3rd, at stark contrast to the expected 2.7 million barrel decline forecast, while gasoline stockpiles fell by 3.3 million barrels. The contrasting figures saw WTI initially under pressure (USD \$56.41 low), before ripping to a USD \$57.92 session high and then abruptly paring gains to finally settle at USD \$56.81 for a -0.6% decline. Brent crude saw similar volatility around the EIA figures, however managed to limit declines to -0.2% and settle at USD \$63.49. European markets ended Wednesday's session mixed, seeing weakness across financial stocks in addition to headwinds from a firmer euro. The Stoxx Europe 600 (-0.01%) ended lower by the barest of margins, while the German Dax inched just +0.02% higher. In the U.K. the FTSE 100 crept +0.22% higher to just shy of Monday's record close, buoyed by a softer sterling as Prime Minister Theresa May faced a second cabinet reshuffle in a week.

PRECIOUS

A mild bid bias to the greenback saw the dollar reclaim 114.00 against the yen during early Asian trade on Thursday; however bullion was able to withstand early offers and held support around USD \$1,280 into Chinese trade. Better than expected Chinese CPI and PPI data saw a brief period of weakness across USD/China currencies to drag the yellow metal marginally higher, settling into a narrow afternoon range before a leg lower to USD/JPY provided the impetus for a break to USD \$1,285 leading into European trade. From a technical perspective bullion will be targeting a test toward USD \$1,300, however recent



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pricing seems to be conducive to a slow grind higher (higher highs and lower lows) rather than a break out to the topside. 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 is well positioned for a test higher as USD \$17 builds as a key pivot point, however USD \$17.20 - \$17.30 will likely see layered offers to create headwind for the metal. Palladium forwards remain tight and continue to drive pricing higher, while physical supply is likely to remain constrained to support further positive price action. The white metal ripped higher during New York trade on Wednesday to re-take USD \$1,000 and end +1.9% higher, while Asian pricing today saw the metal consolidate around USD \$1,120 and continue to hold around the highest level since 2001. Data today includes German Exports/Imports, U.S. initial jobless claims, Bloomberg consumer confidence and wholesale inventories.

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