



## MKS PAMP GROUP

### Daily Asia Wrap

1<sup>st</sup> November 2018

Range Asian Hours  
(from Globex open)

	<b>GOLD</b>	<b>SILVER</b>	<b>PLATINUM</b>	<b>PALLADIUM</b>
<b>OPEN</b>	1214.90/30	14.25/28	834/37	1077/79
<b>HIGH</b>	1218.40/60	14.32/35	833/36	1084/86
<b>LOW</b>	1214.90/30	14.24/27	843/46	1077/79
<b>LAST</b>	1218.00/40	14.32/35	843/46	1083/85

#### MARKETS/MACRO

The bounce in US equities continued as the three major bourses posted solid gains on the last day of the month. The Dow added 241.12 points, or 0.97%, to 25,115.76, the S&P 500 rose 29.11 points, or 1.09%, to 2,711.74, while the Nasdaq climbed 144.25 points, or 2.01%, to 7,305.90. There were wins for tech (+2.39%), communications (+2.10%) and consumer discretionary (+1.63%) while REITs (-1.37%) led the laggards. European equities were mixed, the EuroSTOXX gained 6.08 points, or 1.71%, to 361.61, the German DAX put on 160.12 points, or 1.42%, to 11,447.51, and the London FTSE 100 advanced 92.25 points, or 1.31%, to 7,128.10. In the currencies, the US dollar index firmed 0.13% to 97.112, the EUR traded down to 1.1303, while USD/JPY was as high as 113.35. US treasury yields were higher, the 2 year yield firmed 1.4 bps to 2.873% while the 10 year yield rose 1.9 bps to 3.151%. Oil prices continued to slide as global demand concerns continue, Brent sold off 1.2% to \$75.46 while WTI lost 1.9% to \$65.10. Base metals were broadly lower, as nickel (-2.3%) led the losses. In US economic data, ADP reported 227k new private sector jobs were created in October. The employment cost index rose 0.8% in the third quarter, exceeding economist's expectations of a 0.7% increase. The Chicago PMI fell to 58.4 in October from 60.4 in September. In Asia today, as I write the Nikkei is at -0.47%, the Shanghai composite is at +1.13%, the Hang Seng is at +1.90%, and the ASX S&P 200 is at +0.04%. Tonight we have weekly jobless claims, productivity, unit labor costs, Markit manufacturing PMI, ISM manufacturing index, construction spending, and motor vehicle sales out of the US.

#### PRECIOUS

Pressure mounts on the precious as gold trades to a 3 week low. Gold opened at the high of \$1222 in Asia and only travelled one way from there as USD/JPY continued to show strength. The SGE premium was at \$5-6 and we did see buying interest out of China, but it was not enough to support the market which broke \$1220 and traded between \$1216-19 through the afternoon. After a consolidation period through the London AM session gold was sold to fresh 3 week low at \$1212 after the NY open. A couple of bounces toward \$1217 through the remainder of the trading day proved unsustainable and the yellow metal finished up at \$1214. Silver drifted steadily lower through the session to post the October low of \$14.22 on the final day of the month. Palladium was the standout performer, after testing yesterday's low the metal surged \$20 to a high of \$1287 before closing at \$1079. The Philadelphia gold and silver index lost 1.76%. The SPDR Gold Trust holdings were down 0.12% to 754.06 metric tonnes. In



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Asia today, gold opened at \$1214.90 and has been edging higher through the day as the greenback is offered. The SGE premium is at \$4-5 over loco London. The yellow metal trading right near the highs, sitting at \$1218.00 as I write. Silver is firming also, the grey metal is currently at the high of \$14.32. PGMs are creeping up as well, with platinum ticking up to a high of \$843 late in the day. Have a good day ahead.

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