



## MKS PAMP GROUP

### Asia Market Update

9<sup>th</sup> November 2018

Range Asian Hours  
(from Globex open)

|             | GOLD       | SILVER   | PLATINUM | PALLADIUM |
|-------------|------------|----------|----------|-----------|
| <b>OPEN</b> | 1223.50/70 | 14.43/45 | 863/65   | 1128/30   |
| <b>HIGH</b> | 1223.50/70 | 14.43/45 | 864/66   | 1128/30   |
| <b>LOW</b>  | 1217.60/80 | 14.34/36 | 857/59   | 1121/23   |
| <b>LAST</b> | 1219.30/50 | 14.38/39 | 858/60   | 1125/27   |

#### MARKETS/MACRO

The U.S. Federal Open Market Committee held short-term benchmark interest rates on hold at its November meeting, unanimously voting to keep the federal funds rate at a range of 2 – 2.25 percent. Surprisingly to some, the committee made no mention of the recent market volatility, however there were a few changes to policymakers view of economic conditions. Notably it was mentioned that the unemployment rate ‘has declined’ since the September meeting, however the statement also made mention that the “growth of business fixed investment has moderated from its rapid pace earlier in the year.” Initial jobless claims eased marginally during the week ended November 3, slipping just 1,000 to 214,000 (exp: 214,000) as the four-week moving average pulled back 250 to 213,750. Continuing claims meanwhile decreased 8,000 to 1.623 million during the week ended October 27. Equities in the U.S. closed mostly lower on Thursday, paring gains post-FOMC with the committee indicating further gradual rate hikes. The DJIA held within positive territory to add +0.04% at 26,191.22 points, while heavy trade to energy (-2.20%) weighed upon the S&P 500 to have the bourse -0.25% lower at the close. The greenback firmed following the FOMC announcement, with participants expectations of a December hike unwavering. The DXY index gained +0.5% on the session as the buck pushed above 114.00 against the yen, while regaining +0.6% against the euro. Treasury yields continued to push higher on Thursday following the Fed, seeing the two-year 2.1bps higher toward 2.97% and the 10-year add around 2bps to 3.239%. Oil futures posted further declines, taking the U.S. benchmark into a bear market just five-weeks after printing a near four-year high. WTI declined -1.6% to USD \$60.67 per barrel, the ninth consecutive losing session and off -20.6% from the October 3 peak. Stocks in Europe ended trade mixed on Thursday, as investor sentiment took a hit from an unexpected decline in German exports and a European Commission report forecasting a slowing on Eurozone growth. The Stoxx Europe 600 added +0.19% to 367.08 points, however the German Dax declined -0.45% to 11,527.32 points and the French CAC shed -0.13% to 5,131.45 points. In the U.K. the FTSE 100 tacked on +0.33% to 7,140.68 points, with gains underpinned by strong performance across both resources and finance.

#### PRECIOUS

Further dollar gains stymied a recovery to the precious complex during Asian trade on Friday, seeing bullion underneath USD \$1,220 for the first time since November 1. It was generally one-way traffic for the yellow metal, offered from the re-open and accelerating declines in Shanghai as USD/China turned higher. We saw modest interest underneath USD \$1,220 during the afternoon, keeping price action buoyant above the 100 DMA around USD \$1,216, however unable to make much headway back above USD \$1,220. The yellow metal will still look to USD \$1,225 as a pivot point for continued upward momentum (USD \$1,235 the key above this), however it is becoming increasingly likely that with a firmer dollar and the uncertainty of the mid-terms behind us, we see a move through the 100 DMA and test USD



**MKS PAMP**  
GROUP

\$1,208 - \$1,210, with the potential for the psychologically important USD \$1,200 to come into play. Data today includes industrial / manufacturing production from France and the U.K., trade balance from the U.K., GDP from the U.K., U.S. PPI, U.S. wholesale inventories and the University of Michigan consumer sentiment gauge.

*Although the information in this report has been obtained from and is based upon sources MKS believes to be reliable, we do not guarantee its accuracy and it may be incomplete or condensed. All opinions and estimates constitute MKS' judgment as of the date of this report and are subject to change without notice. This report is for informational purposes only and is not intended as investment advice, offer or solicitation for the purchase or sale of an investment. This report does not consider or take into account the investment objectives or financial situation of a particular party.*