



**MKS PAMP GROUP**  
**Asia Market Update**  
**12<sup>th</sup> November 2018**

Range Asian Hours  
(from Globex open)

	<b>GOLD</b>	<b>SILVER</b>	<b>PLATINUM</b>	<b>PALLADIUM</b>
<b>OPEN</b>	1209.30/50	14.16/18	853/55	1117/19
<b>HIGH</b>	1211.40/60	14.21/23	856/58	1121/23
<b>LOW</b>	1206.70/90	14.14/16	852/54	1115/17
<b>LAST</b>	1207.00/20	14.14/16	854/56	1118/20

**MARKETS/MACRO**

Producer prices in the U.S. increased +0.6% MoM during October (exp: +0.2%), marking the largest gain in six years. The monthly print saw the annualised figure at +2.9% YoY (exp: +2.5%) from +2.6% previously. Excluding the volatile food and energy categories, the so-called 'core' PPI increased +0.5% MoM (exp: +0.2%) and +2.6% YoY (exp: +2.3%). Wholesale inventories ticked +0.4% higher during September (exp: +0.3%) to follow a +0.9% increase in August. The monthly print was led higher by a +0.8% increase in durable goods, while non-durable goods eased -0.4%. Equity markets in the U.S. finished Friday lower as further weakness across oil markets weighed upon investor confidence. The DJIA closed -0.77% down at 25,989.30 points, falls to technology (-1.66%) and consumer discretionary stocks (-1.50%) led a broad-based sell-off to have the S&P 500 -0.92% lower at the closing bell, while the tech-laden Nasdaq Composite sunk -1.65% to 7,406.902 points. On the week the DJIA added +2.8%, the S&P 500 gained +2.1% and the Nasdaq Composite edged +0.7% higher. The greenback extended recent gains on Friday, seeing the DXY +0.3% higher after making notable gains against the euro (-0.36%) and the pound (-0.69%). Treasury yields in the U.S. declined on Friday on fears of a further slowing of Chinese growth after the PBOC warned of "downward pressures" on the Chinese economy. The 10-year yield declined 4.2bps to 3.189%, the two-year shed 3.5bps to 2.934% and the 30-year fell -3.4bps to 3.392% to mark the largest single-session fall in almost 4-weeks. Increased concerns over an oil glut in the U.S. saw WTI to a tenth successive session decline, sliding underneath USD \$60 per barrel to book a -1.5% fall on the session and a -4.7% fall for the week. Brent crude meanwhile handed back -1.4% to move underneath USD \$70 per barrel, sitting around -19% from the October peak to flirt with entering a bear market. Stocks in Europe closed generally lower on Friday to see the Stoxx Europe 600 off -0.37%, while the German Dax edged just +0.02% higher. In the U.K. the FTSE 100 ended -0.49% lower as resources related stocks tracked lower on Chinese growth fears.

**PRECIOUS**

Gold saw further weakness during Asian trade on Monday, extending declines following the break below the 100 DMA in New York on Friday. The post-FOMC bid tone to the dollar continues to put downwards pressure on the precious complex, with gold failing to make a sustained move above USD \$1,210 today as specs and producers sold rallies toward the figure. Afternoon pricing saw an extension of the earlier dollar strength, taking the euro underneath 1.13 on a sharp stop loss run to see bullion move toward Friday's low print in New York of USD \$1,206.55. We are seeing a modest level of support broadly around USD \$1,205, however sustained greenback strength is likely to see this level make way for a test underneath USD \$1,200, with down-side targets extending to USD \$1,195 and USD \$1,180. Silver moved below the October low prints clustered around USD \$14.24 on Friday and remained offered throughout



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Asia today. The grey metal has not had a sustained break underneath USD \$14.00 since early 2016, however looks to be heading toward a test of the figure over the near-term. Veterans Day today in the U.S. sees the bond markets closed, while the majority of other markets such as equities, currencies and commodities remain open.

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