



MKS PAMP GROUP

Daily Asia Wrap

17th November 2017

Range Asian Hours
(from Globex open)

	GOLD	SILVER	PLATINUM	PALLADIUM
OPEN	1278.40/80	17.07/10	930/33	987/89
HIGH	1283.50/90	17.11/14	936/39	990/92
LOW	1278.10/50	17.05/08	930/33	987/89
LAST	1282.30/70	17.09/12	935/38	990/92

MARKETS/MACRO

The US House of Representatives passed the Republican backed legislation to overhaul the tax code, the bill passed with 227 votes to 205. The US Senate is working on it's own version, which should be completed by the end of the week. US equities surged higher on the tax news and some strong quarterly results, including a bumper result from Wal-mart (+10%). The Dow rose 187.08 points, or 0.80%, to 23,458.36; the S&P 500 gained 21.02 points, or 0.82% to 2,585.64, while the Nasdaq climbed 87.08 points, or 1.30%, to a record 6,793.291. There were big wins for telecoms (+1.75%), consumer staples (+1.56%), and IT (+1.33%) while energy (-0.58%) led the laggards. European shares were higher, the EuroSTOXX advanced 2.97 points, or 0.78%, to 384.93, the German DAX added 70.85 points, or 0.55%, to 13,047.22, and the London FTSE 100 put on 14.33 points, or 0.19%, to 7,386.94. In currency majors, the US dollar index firmed 0.13% to 93.934, the EUR traded down to 1.1762 while USD/JPY was up at 113.27. US treasury yields were higher, the 2 year yield rose 2.48 bps to 1.7082% and the 10 year yield gained 318 bps to 2.3540%. In the commodities, oil markets were lower as Brent lost 0.78% to \$61.39 and WTI eased 0.38% to \$55.12. Base metals were broadly lower, with nickel (-2.92%) taking the biggest hit. In US economic news, import prices rose 0.2% in October following a 0.7% gain in September. The larger increases in the previous two months were largely a result of increased energy prices following the major hurricanes during that period, the more modest rise in October was expected. Industrial production climbed 0.9% in October from an upwardly revised 0.4% in September. while capacity utilisation rose to 77% in October from 76.4% in September. The Philly Fed manufacturing index fell to a reading of 22.7 in November from 27.9 in October, it is the 16th straight month that the index has been positive. The National Association of Home Builders monthly confidence gauge rose to 70 in November from 68 in October, it's highest level since March. Initial jobless claims rose 10k to 249k in the week ending November 11 following a backlog of hurricane related applications, continuing jobless claims fell by 44k to 1.86M, the lowest level since 1973. In Asia today, as I write the Nikkei sits at +0.43%, the Shanghai composite is at -0.54%, the Hang Seng at +0.61%, and the ASX S&P 200 at +0.27%. Tonight we have housing starts and building permits out of the US; and current account and construction output out of the Eurozone.

PRECIOUS

Quiet session for the precious as equities took centre stage. Gold opened at \$1277 in Asia and traded a \$3 range though the day, the SGE premium was at \$7-8 which didn't prompt much action on either side. London were happy to sit on their hands through the AM. The yellow metal ticked up above \$1280 on the NY open as USD/JPY started to soften, however resting orders at that level capped the market. Gold came off slightly during the afternoon but held well considering the relative strength in the stock market and the increasing yields, the metal finished the session at \$1278. Silver found a bid in London and traded through the \$17 level for a close at \$17.05. PGMs were flat with platinum and palladium closing at \$927 and \$988 respectively. The Philadelphia gold and silver index lost 0.25%. The SPDR Gold Trust holdings were unchanged at 843.39 metric tonnes. In today's trading, Gold opened at \$1278.40 in Asia and broke through



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the \$1280 level to a high of \$1283.50 as USD/JPY dropped through 113. The SGE premium remains at \$7 over loco London. The yellow metal is at \$1282.30 as I write. Silver has firmed slightly through the day, the grey metal is sitting at \$17.09 as I write. Platinum and palladium are both grinding higher. Gold is currently sitting ahead of the 100 dma at \$1279 a hold above here could see the metal testing the November high of \$1288. Have a good day ahead.

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