



## MKS PAMP GROUP

### Daily Asia Wrap

1<sup>st</sup> December 2017

Range Asian Hours  
(from Globex open)

	<b>GOLD</b>	<b>SILVER</b>	<b>PLATINUM</b>	<b>PALLADIUM</b>
<b>OPEN</b>	1274.40/80	16.42/45	939/42	1007/09
<b>HIGH</b>	1276.50/90	16.45/48	942/45	1011/13
<b>LOW</b>	1274.00/40	16.41/44	936/39	1007/09
<b>LAST</b>	1275.50/90	16.43/46	940/43	1011/13

#### MARKETS/MACRO

US Senate Republicans have delayed a final vote on the proposed tax bill after three Republican Senators, led by Bob Corker, insisted upon a "trigger" amendment that would raise taxes automatically if the proposed cuts do not stimulate the economy as much as projected. Earlier in the day the tax bill looked set to pass as several heretofore undecided Republicans, most notably John McCain, signalled their support. US equities surged higher on the earlier tax news as the three major bourses hit record highs. The Dow climbed 331.67 points, or 1.39%, to 24,272.35; the S&P 500 gained 21.51 points, or 0.82% to 2,647.58, while the Nasdaq added 49.584 points, or 0.73%, to 6,873.973. Energy (+1.55%) and industrials (+1.55%) led a broad advance in the markets. European shares were lower, the EuroSTOXX lost 1.27 points, or 0.33%, to 386.69, the German DAX fell 37.89 points, or 0.29%, to 13,023.98, and the London FTSE 100 declined 66.89 points, or 0.90%, to 7,326.67.94. In the currencies, the dollar index lost 0.10% to 93.069, the EUR traded up to 1.193, while USD/JPY was as low as 111.73 before a late rally. US treasury yields were higher, the 2 year yield rose 2.00 bps to 1.7820% and the 10 year yield gained 2.15 bps to 2.4097%. In commodities markets, OPEC and non-OPEC producers have extended production cuts until the end of 2018, overnight Brent gained 0.73% to \$63.61 while WTI edged lower 0.03% to \$57.70. Base metals were mostly lower, with nickel (-3.56%) the biggest loser. In US economic news, the Commerce Department reported that consumer spending rose 0.3% in October following a 0.9% increase in September, while personal income rose 0.4% after a 0.4% rise in September. The PCE index, the Fed's preferred inflation measure, rose 0.1% in October while the core PCE, excluding food and energy, rose 0.2% following a 0.1% rise in September. The core PCE year on year rate was flat at 1.4%. The Chicago PMI fell to 63.9 in November from 66.2 in October, given that any reading above 50 indicates improving conditions the current level is still very strong. Initial jobless claims slipped 2k to 238k in the week ending November 25, a week that including the Thanksgiving holiday. Continuing jobless claims increased by 42k to 1.96M, In Asia today, as I write the Nikkei is flat, the Shanghai composite is at -0.32%, the Hang Seng at -0.03%, and the ASX S&P 200 at +0.20%. Tonight we have Markit manufacturing PMI, ISM manufacturing, construction spending, and motor vehicle sales out of the US; and Markit manufacturing PMI out of the Eurozone.

#### PRECIOUS

Another tough day for the precious as gold hits a two week low amid a surge in the stock market. Gold opened at \$1283 in Asia and remained within a tight \$2 range during a very quiet trading day. The SGE premium was up at \$8 but Chinese buying was limited. The market drifted lower in late Asian hours to \$1280 in the London AM session. The was a drop to \$1276 after NY open followed by a bounce back above \$1280 as USD/JPY dipped briefly below 112. From here it was a steady slide to the session low of \$1270 as the greenback rallied. the yellow metal bouncing off the low to a close at \$1274. Silver was dumped to a low of \$16.31, the grey metal has lost over 3.5% this week. Palladium made a move above \$1020 during Asian hours which triggered some enthusiastic selling, the metal finished the day at \$1009. The Philadelphia gold and silver index lost 0.29%. The SPDR Gold Trust holdings were unchanged at 839.55



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metric tonnes. Today's trading has been very quiet, gold opened at \$1274 and has been stuck in the \$1274-76 range ever since. The yellow metal is at \$1275.50 as I write. Silver is flat for the day, the grey metal sits at \$16.43 as I write. PGMs are flat. The continued strength in equities and higher yields are putting the pressure on, with gold sold through the 100 dma level last night we should see initial support at the overnight low of \$1270 and below that at the 200 dma which is in line with the October lows around \$1266. On the upside expect first resistance at \$1280 followed by yesterday's high of \$1285. Have a good day ahead.

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