



MKS PAMP GROUP

Daily Asia Wrap

7th December 2017

Range Asian Hours
(from Globex open)

	GOLD	SILVER	PLATINUM	PALLADIUM
OPEN	1263.40/80	15.96/99	900/03	994/96
HIGH	1264.20/60	15.98/01	903/06	997/99
LOW	1262.20/60	15.92/95	898/01	993/95
LAST	1262.40/80	15.95/98	899/02	994/96

MARKETS/MACRO

US equities were mixed as losses for energy stocks weighed on the markets. The Dow slipped 39.73 points, or 0.16%, to 24,140.90; the S&P 500 inched lower 0.30 points, or 0.01% to 2,629.27, while the Nasdaq added 14.163 points, or 0.21%, to 6,776.375. There were wins for tech (+0.75%) and consumer staples (+0.56%) while energy (-1.29%) and telecoms (-0.95%) led the laggards. European shares were lower, the EuroSTOXX lost 0.42 points, or 0.11%, to 386.32, the German DAX fell 49.69 points, or 0.38%, to 13,998.85, and the London FTSE 100 slipped 1.18 points, or 0.02%, to 5,374.35. In the currencies, the US dollar index rose 0.23% to 93.598, the EUR traded down to 1.1779, while USD/JPY traded down to 112. US treasury yields were lower, the 2 year yield eased 2.01 bps to 1.7983% and the 10 year yield declined 2.67 bps to 2.3242%. In commodities news, oil prices were lower as US gasoline stockpiles jumped higher than expected over the week. Brent dropped 2.53% to \$61.27 while WTI fell 2.85% to \$55.98. The losses come despite the fact the EIA reported a fall in US crude inventories of 5.6 million barrels for the week ending December 1st. Base metals were mostly lower, with aluminium (-1.61%) suffering the biggest loss. In US economic data, the ADP National Employment Report showed the private sector added 190k jobs in November following a 235k rise in October. Most of the gains came from the service sector, which added 155k, followed by 40k in manufacturing and 36k in goods producers. Unit labour costs fell at a 0.2% annualised rate in the September quarter according to the Labor Department, this comes after increasing at a rate of 0.5% in the second quarter of 2017. In Asia today, as I write the Nikkei is at +1.11, the Shanghai composite is at -0.62%, the Hang Seng at +0.01%, and the ASX S&P 200 at +0.64%. Tonight we have weekly jobless claims, flow of funds, and consumer credit out of the US; GDP growth rate out of the Eurozone; and industrial production out of Germany.

PRECIOUS

A quiet session for the precious as gold finishes up around the previous days lows. Gold opened at \$1265 in Asia, there was some light buying action as USD/JPY fell and the Nikkei was hammered, the market peaking at \$1268. The SGE premium was around \$6-7 over loco London, which was not enough to prompt much action out of China. The market started to drift lower in the London AM session as the greenback rallied. The yellow metal spent NY hours in the \$1263-65 range before closing on the low. Silver fell below \$16 for the first time since July, the grey metal gave up 20c off the high to finish at \$15.94. Platinum continued it's recent decline, dropping below the \$900 level for the first time since July. Palladium was the stand out performer, climbing \$10 to finish at \$994. The Philadelphia gold and silver index lost 1.41%. SPDR gold trust holdings were unchanged at 845.47 metric tonnes. Quiet trading in Asia today, gold opened at \$1263.40 and has remained within a tight \$2 range, the \$7 SGE premium has done little to spark action on either side. The yellow metal is at \$1262.40 as I write. Similar story for silver, the grey metal sits at \$15.95 as I write. PGMs are also flat. Gold is at a four month low, the 200 DMA at \$1267 is likely to function as a pivot point, a close above that level tonight could be a precursor to a move higher, with next



MKS PAMP
GROUP

resistance at the 50 DMA at \$1280. On the down side, key support is between \$1261-1257. Have a good day ahead.

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.