



MKS PAMP GROUP

Daily Asia Wrap

11th December 2017

Range Asian Hours
(from Globex open)

	GOLD	SILVER	PLATINUM	PALLADIUM
OPEN	1247.70/90	15.84/86	888/90	1007/09
HIGH	1250.30/50	15.87/89	892/94	1010/12
LOW	1247.10/30	15.81/83	888/90	1007/09
LAST	1250.30/50	15.87/89	892/94	1010/12

MARKETS/MACRO

U.S. nonfarm payrolls outpaced expectations during November, increasing by 228,000 (exp: 195,000) to follow a downwardly revised 244,000 during October (prev: 261,000). Wage growth was weaker than expected as hourly earnings ticked just +0.2% MoM higher (exp: +0.3%), while October's print declined to -0.1% from a flat read previously. The unemployment rate held at 4.1% (exp: 4.1%) and the broader 'U-6' measure of unemployment and underemployment, which includes those who have stopped looking and those in part-time jobs who want full-time positions, edged marginally higher to 8.0% from 7.9% previously. The University of Michigan reported on Friday that its measure of consumer sentiment softened to 96.8 during December (exp: 99.0) from a November read of 98.5. Current conditions actually improved to 115.9 from 113.5 previously, while the expectations component declined to 84.6 from 88.9 previously. Equity markets in the U.S. pushed higher on Friday following the stronger than expected jobs data, seeing the DJIA and the S&P 500 to fresh record closing levels. The DJIA ended the session +0.49% higher at 24,329.16 points to extend early session gains, while strength across healthcare (+1.11%) led all components aside from materials (-0.02%) higher as the S&P 500 posted a +0.55% gain to 2,651.50 points. The dollar ended trade higher on Friday following the buoyant jobs report, however ran into selling pressure as participants digested the softer than expected wages figures. The DXY ended trade +0.1% higher, seeing strength against the yen to end around 113.50 for a +0.35% gain against the safe-haven.

PRECIOUS

Gold opened to a mild bid tone during Asian trade on Monday, however saw offers toward USD \$1,250 restricted any further early session gains. China continued to see the metal trade at an onshore premium above USD \$8 relative to London gold, however once again, a lack of physical interest saw the early price action stagnate. A softer greenback during afternoon trade underpinned the metal into European trade as bullion edged briefly through USD \$1,250 to mark the session high print. Expectations this week are that bullion will hold a narrow range into Wednesday's FOMC rates decision, while following Friday's stronger than expected U.S. jobs data we see a 90% chance that interest rates will be raised, with the potential that gold may extend recent weakness toward USD \$1,200. Initial support comes in toward USD \$1,245, while strong resistance comes in at the 200 DMA of USD \$1,267.70.



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