



MKS PAMP GROUP

Daily Asia Wrap

12th December 2017

Range Asian Hours
(from Globex open)

	GOLD	SILVER	PLATINUM	PALLADIUM
OPEN	1241.70/90	15.71/73	888/90	1011/13
HIGH	1245.30/50	15.78/80	890/92	1014/16
LOW	1241.70/90	15.71/73	888/90	1011/13
LAST	1245.30/50	15.78/80	890/92	1012/14

MARKETS/MACRO

The U.S. Labor Department reported on Monday that the JOLTS job openings declined to 5.996 million during October (exp: 6.135 million) from a record 6.177 million previously. Over the month, hires increased to 5.6 million, while the hires rate held at 3.8% and separations were little changed at 5.2 million to see quits and layoffs hold at 2.2% and 1.1% respectively. Job openings increased within accommodation and food services (+94,000), construction (+48,000) and real estate (+40,000). Equity markets in the U.S. ended trade higher on Monday, as both the DJIA and the S&P 500 rose to fresh record closing levels leading into Wednesday's FOMC rates announcement. The DJIA finished +0.23% higher at 24,386.03 points, while the S&P 500 closed with a +0.32% gain at 2,659.99 points as information technology (+0.81%) saw strong investor interest. Not to be left behind, the Nasdaq jumped +0.51% to close the session at 6,875.078 points.

Oil futures turned higher on Monday following reports that the Forties pipeline, which carries North Sea crude oil across land for processing in Scotland, could be shut down for repairs. Brent crude jumped +2% to settle at USD \$64.69 per barrel, marking the highest settlement for a front-month contract since early June 2015. WTI meanwhile added +1.1% to finish just underneath USD \$68 per barrel. The greenback pared early session losses during New York trade on Monday, edging back into positive territory late in trade to see the DXY close just +0.04% higher. Treasury yields edged modestly higher in the U.S. on Monday to see the 10-year add just over 1bp to 2.387% and the two-year 2.8bps higher at 1.823%.

Markets in Europe ended lower on Monday as technology names weighed upon regional bourse's. After touching a one month high on Friday, the Europe Stoxx 600 eased just -0.05% to pare early session gains, while the German DAX and the French CAC both booked a -0.23% declines. It was a different story in the U.K. as regional stocks benefited from a softer pound following continued Brexit negotiations. The U.K. FTSE 100 ended the session +0.80% higher at 7,453.48 points, the highest close in nearly two weeks.



PRECIOUS

Following the disappointing New York session on Monday, bullion staged a modest recovery during Asian trade today as demand out of China underpinned price action. The yellow metal saw a mild bid tone in early flows to draw away from the overnight low, while interest out of the far East took the metal toward USD \$1,245, before offers around the figure restricted any further gains. Interest from Shanghai saw the on-shore premium edge through USD \$9 relative to London gold as participants slowly re-enter the market with spot now around five month lows. Gold made a further attempt at a break through USD \$1,245 during the Chinese lunch break, however lacked follow through interest to make a meaningful break higher and held around the figure into European trade. We continue to expect heavy, albeit muted trade into the FOMC rates decision, with support for the metal initially sitting around USD \$1,240 (Fib retracement of the July - Sept move). Should weakness extend further we are unlikely to see any major support until USD \$1,200 - \$1,210. From a resistance standpoint, offers around USD \$1,250 will form a mild barrier to further gains, while major resistance sits at the 200 DMA, currently USD \$1,268. Vols continue to recover from recent lows, with 1m now trading around 9.3, while ETF holdings have eased modestly.

Data releases today include U.K. CPI, U.K. retail prices, German ZEW survey results, U.S. PPI and the U.S. monthly budget statement.

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