



MKS PAMP GROUP

Daily Asia Wrap

21st December 2017

Range Asian Hours
(from Globex open)

	GOLD	SILVER	PLATINUM	PALLADIUM
OPEN	1265.40/60	16.17/19	920/22	1030/32
HIGH	1268.30/50	16.22/24	921/23	1031/33
LOW	1265.40/60	16.17/19	917/19	1027/29
LAST	1266.00/20	16.18/20	917/19	1027/29

MARKETS/MACRO

The U.S. Senate passed historic tax reforms on Wednesday, delivering President Trump his first major legislative victory. The bill is the first major tax reform since Ronald Reagan was in the White House and is likely to be signed by President Trump within days.

Existing home sales in the U.S. surged to a near 11-year high during November, gaining +5.6% MoM (exp: +0.9%) to an annualised rate of 5.81 million. Sales in the South following recent storm activity gained +8.3% to underpin the headline figure, while sales in the Northeast added +6.7% and sales in the Midwest jumped +8.4%. Sales in the West lagged -2.3%.

Equities in the U.S. eased modestly following the historic tax reform, retreating from strong opening levels. The DJIA slipped -0.11% (28.1 points) to 24,726.65 points after being up as much as 80 points in early trade, while real estate (-1%) led seven of 11 components of the S&P 500 lower to see the bourse down -0.08% to 2,679.25. The greenback saw mixed trade in New York, however ultimately ended -0.1% lower, while treasury yields jumped to see the 10-year 3.3bps higher to 2.497% after briefly breaking above 2.50%.

PRECIOUS

Bullion saw mixed price action during Asian hours on Thursday, trading well bid throughout early pricing before turning offered into the afternoon. Regional demand was evident from the re-open as participants followed the overnight lead to take gold toward USD \$1,267 into the Chinese open. The on-shore premium in Shanghai continued to remain elevated, pushing toward USD \$12 relative to London pricing to underpin a push through the New York high print. Price action remained buoyant throughout the afternoon, knocking against USD \$1,268, however unable to make headway through the figure. The tide turned once European names began to filter in late in Asia, sending gold sharply lower toward opening levels to pare back the earlier gains. The 200 DMA around USD \$1,269.50 is currently weighing upon any attempts



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higher and this level will act as an important pivot point over the near term. Data today includes U.S. GDP, personal consumption, Initial jobless claims, the Chicago Fed Nat activity index, the FHFA house price index, Bloomberg consumer confidence and the U.S. leading index.

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