



## MKS PAMP GROUP

### Daily Asia Wrap

20<sup>th</sup> November 2017

Range Asian Hours  
(from Globex open)

	<b>GOLD</b>	<b>SILVER</b>	<b>PLATINUM</b>	<b>PALLADIUM</b>
<b>OPEN</b>	1294.00/20	17.28/30	948/50	995/97
<b>HIGH</b>	1294.60/80	17.29/31	949/51	999/01
<b>LOW</b>	1290.20/40	17.15/17	941/43	994/96
<b>LAST</b>	1291.10/30	17.15/17	941/43	996/98

#### MACRO

U.S. housing starts rebounded in October, jumping +13.7% MoM (exp: +5.6%) from an upwardly revised -3.2% (prev: -4.7%) during September. The increase saw starts to a seasonally adjusted annual rate of 1.29 million, marking the highest level since October 2016. Housing starts in the South led the headline print higher, soaring +17.2% to 621,000 units, with single-family construction jumping +16.6% to the highest level since 2007. The headline single-family starts increased +5.3% to 877,000 units to mark the highest level in eight months, while the volatile multi-family segment ripped a staggering +36.8% higher to 413,000 units. Building permits increased +5.9% during October to 1.297 million (exp: 1.250 million), marking the highest level since January. Single-family home permits pushed +1.9% higher and multi-family jumped +13.9%. U.S. equity markets traded heavily on Friday as concerns over the Republican's tax reform package weighed upon the major bourse's. The DJIA ended the session -0.43% lower at 23,358.24 points, while declines led by technology (-0.67%) and real-estate (-0.56%) saw the S&P 500 -0.26% lower at 2,578.85 points. Oil futures pushed higher on Friday, with Saudi Arabia reassuring market participants that OPEC were committed to extending supply cuts. WTI jumped +2.6% to USD \$56.55 per barrel, while Brent crude popped +2.2% to close the session at USD \$62.72. Friday's positive price action wasn't enough however to push the contracts into positive territory for the week, seeing WTI -0.3% lower at Brent down -1.3% as concerns over growing U.S. stockpiles lingered. European stocks ended lower on Friday as markets battled against a number of poor earnings results and headwinds generated by a stronger euro. The Stoxx Europe 600 pulled back -0.29% to 383.80 to book a -1.3% decline on the week, while the German Dax handed back -0.41%. A stronger pound kept the U.K. FTSE 100 (-0.08%) in the red on Friday after the bourse had recovered from early session weakness. On a weekly basis the bourse ended -0.7% down to follow a -1.7% fall the week prior.

#### PRECIOUS

Bullion traded with a strong bid tone on Friday in New York, with interest driven by a softer greenback as participants focused on developments to the Republican's tax reform package, in addition to updates on special counsel Robert Mueller's investigation. Gold struggled to find support for a break above the 50 DMA (USD \$1,287) throughout Asian and European hours, however continued to benefit from regional physical demand and technical interest around the 100 DMA (USD \$1,280). It was in New York that the market awakened, garnering support from a leg lower to USD/JPY as the pair briefly tested



underneath 112.00. Layered offers, notably producer interest were easily taken out on the way to a session high of USD \$1,296.75, while late session flows saw the metal pull back marginally from the high to end with a gain of +1.2%. Asian demand on Monday was largely restricted to early session dollar weakness following headlines that Angela Merkel's attempt to form a coalition Government with the FDP had thus far failed. The initial knee-jerk reaction to the headline saw the euro lower and a move into the yen and precious (EUR/YEN lower), however flows soon tempered and bullion spent the remainder of the session easing back from opening levels in a generally orderly fashion. Sizeable open interest in December gold around USD \$1,300 coupled with Thanks Giving Holidays this week is likely to see the market capped around the figure, while initial supportive price action sits around the 50 DMA at USD \$1,287. Follow Friday's consolidation above USD \$17 and +1.3% gain, silver ran out of steam during Asian hours on Monday, drifting back toward the recent supportive level around USD \$17.15. Data today includes German PPI and the U.S. leading index.

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