



MKS PAMP GROUP

Daily Asia Wrap

27th November 2017

Range Asian Hours
(from Globex open)

	GOLD	SILVER	PLATINUM	PALLADIUM
OPEN	1289.30/50	17.03/05	941/43	998/00
HIGH	1291.40/60	17.05/07	941/43	998/00
LOW	1286.50/70	17.01/03	938/40	994/96
LAST	1290.50/70	17.05/07	941/43	997/99

MARKETS

Data from IHS Markit released on Friday showed business activity in the U.S. grew at a slower than expected pace during November. The flash composite PMI printed 54.6 to mark the slowest expansion of private sector output since July and notably below October's 55.2. The seasonally adjusted services PMI came in at a flash reading of 54.7 (exp: 55.3) from 55.3 previously, also marking the slowest rate of expansion in output since July, however remained buoyant following increases to incoming new work and the fastest rate of job creation for three months. The seasonally adjusted flash manufacturing PMI printed 53.8 (exp: 55.0) from the 54.6 nine-month high registered in October. U.S. equity markets ran higher to fresh record closing levels on Friday, returning from Thanksgiving Day to book the first weekly gain in three weeks. The DJIA ended the session +0.14% higher at an all-time record of 23,557.99 points, while technology (+0.54%) led seven of eleven sectors of the S&P 500 (+0.21%) higher to see the bourse to a fresh record close at 2,602.42 points. Meanwhile, a strong performance from Amazon (+2.58%) helped the Nasdaq Composite to a +0.32% gain, closing at a fresh all-time record of 6,889.16 points. Over the week both the DJIA and the S&P 500 added +0.9%, while the Nasdaq outperformed to end +1.6% higher. Oil futures turned higher on Friday as investor's shifted focus toward OPEC's November 30 meeting, seeing WTI to its highest finish in close to 30 months and receiving a further boost following supply disruptions in Oklahoma. WTI ended the session +1.6% higher at a touch under USD \$59 per barrel, while Brent crude tacked on +0.5% to USD \$63.86 per barrel. The greenback traded heavily against majors on Friday to see the DXY end down -0.5% at a two-month low of 92.781, predominately weighed down by a firmer euro following a break above 1.19 for the common currency. Markets across Europe finished the week off in mixed fashion, with the Stoxx Europe 600 weighed down -0.13% by a firmer euro, while positive political developments out of Germany saw the Dax push to a +0.39% gain. In the U.K. the FTSE 100 posted a -0.10% decline as retail stocks traded heavily and the pound pushed higher.



PRECIOUS

Friday's shortened session provided little price action as far as bullion is concerned, with modest late European weakness seeing the yellow metal to a USD \$1,285.45 session low even amid a declining greenback. The session saw lightened volumes on account of the Thanksgiving holiday and gold was able to recover and end just underneath USD \$1,290. Regional demand in Asia remained muted on Monday, as the Shanghai on-shore premium eased toward USD \$6 and Indian interest was close to non-existent with the metal trading in and out of a small discount recently. Early session dollar driven weakness leading into the Chinese open saw gold touch a session low of USD \$1,286.50, however the metal was able to recover throughout the afternoon as the greenback reversed gains. Over the short-term bullion will look to hold support around USD \$1,283.50 at which level both the 50 DMA and 100 DMA currently sit, with all eyes on developments regarding the proposed U.S. tax reforms and the U.S. GDP print on Wednesday. Top-side interest develops broadly between the recent high watermark of USD \$1,295 - \$1,296 and the psychological USD \$1,300 figure. With regards to the remainder of the precious complex, silver continues to see underlying interest around USD \$17 restricted declines, while palladium was unable to reclaim the USD \$1,000 handle during Asian trade today following Friday's late session weakness. Data today includes U.S. new home sales and the Dallas Fed manufacturing activity index.

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