



MKS PAMP GROUP

Daily Asia Wrap

6th November 2017

Range Asian Hours
(from Globex open)

	GOLD	SILVER	PLATINUM	PALLADIUM
OPEN	1270.00/20	16.83/85	920/22	1000/02
HIGH	1270.70/90	16.86/88	922/24	1002/04
LOW	1266.90/10	16.80/82	917/19	998/00
LAST	1269.00/20	16.86/88	921/23	1002/04

MARKETS/MACRO

U.S. October payrolls printed below expectations to increase 261k (exp: 313k), however the softer than expected print was offset to a certain extent by upwards revisions to both September and August by a combined 90k payrolls. Leisure and hospitality were responsible for 106k of the headline figure to claw back September's storm related decline, professional and business services added 50k, education and health gained 41k and manufacturing ticked 24k higher. Meanwhile, the unemployment rate declined to 4.1% (exp: 4.2%) from 4.2% previously to mark the lowest level since December 2000 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, fell to 7.9% from 8.3% previously. Wage growth was again disappointing, declining USD \$0.01 to USD \$26.53 per hour, while an annualised basis earnings slipped to +2.4% YoY (exp: +2.7%). U.S. factory orders printed the third gain in the last four months to increase +1.4% MoM during September (exp: +1.2%). Orders for durable goods eased marginally to +2.0% MoM (exp: +2.0%) from +2.2% previously, while the closely watched orders for non-defence capital goods (ex aircraft) jumped +1.7% MoM from a +1.3% read previously. Equity markets in the U.S. closed at fresh records on Friday, buoyed by gains to Apple (+2.61%) while investors navigated mixed data releases. The DJIA added +0.10% to touch an intra-session all-time high and close at a record 23,539.19 points, while strength across technology (+0.85%) underpinned a +0.31% gain to the S&P 500, with the bourse also hitting an intra-session record high on the way to a fresh record close at 2,587.84. Oil futures rallied to the highest level in more than two years on Friday, buoyed by a further decline to the U.S. oil rig count. WTI jumped around +2% to USD \$55.64 per barrel, booking a +3.2% gain on the week, while Brent crude ended above USD \$62 per barrel at a more than two-year high.

PRECIOUS

After a quiet lead-up, gold saw whippy price action around the U.S. payrolls release on Friday, initially bid through USD \$1,280 on the headline print, before succumbing to USD strength on the back of the ISM data and ultimately ending lower. A sharp break through the USD \$1,270 support level saw bullion once again testing the mid USD \$1,260 levels, however the metal was



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able to consolidate into the close and end around the USD \$1,270 near-term pivot point. Asian pricing kicked off the week in a relatively muted fashion, with bullion oscillating either side of USD \$1,270 throughout early session pricing to withstand an early USD bid bias. Chinese interest opened to the yellow metal toward the session low print as the greenback wrestled back the ascendancy, however the physical interest out of the Far East soon provided the impetus for a leg higher as the yellow metal traded at an on-shore premium above USD \$10 for the majority of the session. Gold will be looking to interest broadly between USD \$1,265 - \$1,270 to restrict further downside moves, with further interest at the 200 DMA around USD \$1,262 below this, while the initial hurdle to the topside sits at the 100 DMA around USD \$1,276.50. Data today includes Markit service/composite PMI prints from France, Germany and the Eurozone, followed by Eurozone PPI.

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