



MKS PAMP GROUP

Daily Asia Wrap

3rd October 2017

Range Asian Hours
(from Globex open)

	GOLD	SILVER	PLATINUM	PALLADIUM
OPEN	1270.40/60	16.60/62	912/14	911/13
HIGH	1272.75/95	16.62/64	915/17	915/17
LOW	1268.30/50	16.56/58	911/13	910/12
LAST	1270.30/50	16.58/60	914/16	914/16

MACRO

At least 59 people are dead and more than 500 injured following the deadliest mass shooting in U.S. history in Las Vegas on Monday. Police report 64-year-old Stephen Paddock of Mesquite, Nevada opened fire on more than 22,000 concert-goers at the Route 91 Harvest music festival from the 32nd floor of the Mandalay Bay Hotel. U.S. President Donald Trump has condemned the actions of the shooter as "an act of pure evil." and offered his condolences to the families of those killed. The FBI and the Department of Homeland Security are working closely with local authorities to assist investigations and at this stage there are no confirmed links to terrorism. The Institute for Supply Management reported on Monday that manufacturing activity in the U.S. spiked to the highest level in 13 years during September. The ISM manufacturing Index jumped to 60.8 (exp: 58.1) from 58.8 during August to mark the highest print since May 2004. The headline print was underpinned by strong gains to new orders, increasing to 64.6 from 60.3 previously, prices paid surged to 71.5 (prev: 62.0) to mark the highest level since May 2011. Markit's measure of U.S. manufacturing activity suggested further improvement across the sector during September. The Markit U.S. manufacturing PMI increased to 53.1 (exp: 53.0) from an earlier estimate of 53.0 and August's 52.8. Production growth continued to expand and employment increased at the fastest rate in nine months. U.S. equity markets ended at fresh record high prints on Monday, with investor's shaking off the tragic events in Las Vegas as a number of measures of manufacturing activity buoyed the market. The DJIA ended trade +0.68% higher at a fresh record close of 22,557.60 points, while strength across materials (+1.09%), healthcare (+0.95%) and financials (+0.89%) took the S&P 500 +0.39% higher to a record close at 2,529.12 points. Treasury yields in the U.S. edged modestly higher on Monday to see the ten-year to 2.34% and the two-year at 1.487%. Oil futures sunk on Monday to the lowest level in more than a week as OPEC data showed a decline in compliance with regards to the production cut agreement. WTI fell over -2% to settle around USD \$50.58 per barrel after seeing further downwards pressure from a Baker Hughes report noting an increase in active oil rigs in the U.S., while Brent crude dipped just over -1% to USD \$56.10 per barrel. Markets across Europe started the week on a positive note, with gains underpinned by a softer common currency following violent clashes in Spain after the weekend's Catalanian independence referendum. The Stoxx Europe 600 ended trade +0.51% higher to post an eighth consecutive session gain, while the



German Dax added +0.58%. In the U.K. the FTSE 100 (+0.90%) jumped to the highest level in nearly two-months as the pound dropped below 1.3300.

PRECIOUS

Bullion continued to trade under pressure during Asian trade on Tuesday, struggling to find bids in a market void of Chinese demand, while further gains to the greenback pressured the metal lower. With U.S. equities hitting fresh all time high prints on Monday and the dollar king once again, risk is well and truly back on the table and the precious complex, notably gold is suffering as a result. The yellow metal tested below the 100 DMA late in New York on Monday, sharply breaking through the figure (USD \$1,272.50) on a 2,400 lot sweep to USD \$1,269.90, before recovering modestly into the close. Bullion extended weakness during Asian trade today to reverse an early bid tone as USD/JPY pushed above 113.00. The metal saw initial support around the New York low, however with China on holiday, any semblance of a recovery quickly evaporated as a fresh low of USD \$1,268.30 was printed. An afternoon recovery kept gold within check of the 100 DMA and this figure will be the key today in restricting any further declines. Should gold continue to trade lower, the next target will be the 200 DMA and key psychological level around USD \$1,250. With regards to the white metals, palladium collapsed -2.7% on Monday as participants took profit and dragged the metal back in-line with platinum, with the two trading in tandem during Asian hours today Data releases today include U.K. Markit construction PMI and Eurozone PPI.

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