



MKS PAMP GROUP

Daily Asia Wrap

29th November 2018

Range Asian Hours
(from Globex open)

	GOLD	SILVER	PLATINUM	PALLADIUM
OPEN	1220.50/90	14.29/32	821/24	1182/84
HIGH	1224.80/20	14.35/38	827/30	1182/84
LOW	1220.40/80	14.29/32	820/23	1177/79
LAST	1224.80/20	14.35/38	825/28	1182/84

MARKETS/MACRO

In a speech at The Economic Club of New York, US Federal Reserve Chairman Jerome Powell commented that interest rates “remain just below the broad range of estimates of the level that would be neutral for the economy”. The dovish remarks are in contrast to his October comment that the Fed was “a long way” from Neutral. US stocks mounted their strongest one-day rally in eight months after Powell’s speech, the Dow climbed 617.70 points, or 2.50%, to 25,366.43, the S&P 500 rose 61.62 points, or 2.30%, to 2,743.79, while the Nasdaq surged 208.89 points, or 2.95%, to 7,291.59. Tech (+3.44%), consumer discretionary (+3.23%), and healthcare (+2.46%) led a near broad advance in the markets. European equities were lower, the EuroSTOXX edged lower 0.01 points, or 0%, to 357.39, the German DAX lost 10.23 points, or 0.09%, to 11,298.88, and the London FTSE 100 fell 12.33 points, or 0.18%, to 7,004.52. In the currencies, investors dumped the greenback after the dovish speech from the Fed Chair. The US dollar index slumped 0.55% to 96.833, the EUR climbed to 1.1382, while USD/JPY traded down to 113.50. US treasury yields were lower, the 2 year yield eased 2.8 bps to 2.805% while the 10 year yield slipped 1.3 bps to 3.044%. Oil prices were lower as the EIA reported crude oil inventories had added 3.6 million barrels for the week ending November 23. Brent sold off 3.1% to \$58.96 while WTI dropped 3.1% to \$50.49. Base metals were broadly higher, with copper (+1.3%) leading the gains. In US economic data, third quarter GDP was unchanged from the original finding of 3.5%. The advanced trade in goods figures showed the goods deficit widening 1.3% to \$77.2 billion in October, exports declined in October while imports rose at a slightly faster rate. New home sales fell to 544k in October from 597k in September. In Asia today, as I write the Nikkei is at +0.91%, the Shanghai composite is at +0.15%, the Hang Seng is at -0.27%, and the ASX S&P 200 is at +0.55%. Tonight we have personal income, consumer spending, core inflation, pending home sales, weekly jobless claims, and the FOMC minutes out of the US; along with business confidence, consumer confidence, services sentiment, economic sentiment, industrial sentiment, and consumer inflation expectations out of the Eurozone.

PRECIOUS

Powell’s dovish speech sparked a strong session for the precious. Gold opened the session at \$1214 and traded a tight \$4 range through Asian hours. The SGE premium was at \$6-7 and there was relatively little buying action out of China. No changes as London came in, the market continued to trade the same range through the AM session. The day’s low of \$1211 was printed in early NY trading but it was not



until Fed Chair Powell's speech that things really got going. The yellow metal swept \$12 higher to the top of \$1225 as the US dollar plummeted. The yellow metal was quickly sold back below \$1220 before another bounce to \$1224 before the market started to stabilise. Gold closed out the session higher at \$1220. Silver gapped higher almost 20c, with the grey metal finishing right near the highs at \$14.32. There were differing fortunes for the PGMs, Palladium surged to a new record high of \$1186 while platinum finished lower at \$820. The Philadelphia gold and silver index rose 3.10%. SPDR Gold Trust holdings were unchanged at 761.74 metric tonnes. In Asia today, gold opened at the low of \$1220 and has enjoyed a mild bid tone through the day with the USD still weak. The SGE premium is around \$6 over loco London. The yellow metal is sitting at the high of \$1224.90 as I write. Silver is creeping higher, the grey metal is currently at \$14.35. Have a good day ahead.

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