



MKS PAMP GROUP

Daily Asia Wrap

29th September 2017

Range Asian Hours
(from Globex open)

	GOLD	SILVER	PLATINUM	PALLADIUM
OPEN	1286.30/70	16.85/88	919/22	930/32
HIGH	1287.30/70	16.85/88	924/27	937/39
LOW	1284.00/40	16.77/80	917/20	928/30
LAST	1284.90/30	16.81/84	918/21	936/38

MARKETS/MACRO

The US economy grew at an annualised rate of 3.1% in the second quarter of 2017, the highest in 2 years. The estimate replaces the 3% figure previously advised, and is based on revised data from the Commerce Department. The increase in consumer spending remained at 3.3% however business investment rose to 7% from 6.2%. The US remains on track to meet the Fed's growth target of 2% in 2017, although the recent hurricanes that lashed parts of the US are expected to have some impact on 3rd quarter numbers. Initial jobless claims rose by 12k to 272k in the week ending September 23, continuing jobless claims fell by 45k to 1.93M. US equities were higher as optimism arising from the Trump administration's proposed tax reform drives demand. The Dow added 40.49 points, or 0.18%, to 22,381.20; the S&P 500 rose 3.02 points, or 0.12% to 2,510.06, and the Nasdaq remained unchanged at 6,453.451. There were wins for materials (+0.71%) and REITs (0.61%), while industrials (-0.09%) led the laggards. European shares were higher, the EuroSTOXX advanced 0.74 points, or 0.19%, to 386.36, the German DAX put on 47.2 points, or 0.37%, to 12,704.65, and the London FTSE 100 ticked up 9.31 points, or 0.13%, to 7,322.82. In currencies, the US dollar index lost 0.24% to 93.133, the EUR traded up to 1.1799, while USD/JPY traded down to 112.27. US treasury yields were lower, the 2 year yield eased 1.99 bps to 1.4508% and the 10 year yield fell 0.35 bps to 2.3068%. In commodities news, oil markets were lower, Brent sold 0.41% to \$57.66 while WTI declined 1.07% to \$51.58. Base metals were mostly higher, with nickel (+1.95%) posting the biggest gain. In Asia today, as I write the Nikkei sits at -0.08%, the Shanghai composite is at +0.25%, the Hang Seng at +0.33%, and the ASX S&P 200 at +0.29%. Tonight we have personal income, consumer spending, core inflation, Chicago PMI, and consumer sentiment out of the US; inflation data out of the Eurozone; and unemployment numbers out of Germany.

PRECIOUS

A more positive, if relatively quiet session for the precious overnight. Gold picked up a couple of dollars on the Asian open and traded around \$1283-84 during the early hours. The SGE premium was at \$9-10 over loco London however flows out of China were limited. As USD/JPY ticked up to trade above 113 the market slipped through the \$1280 level to trade at a six week low of \$1277. London were buyers down here prompted a rebound to \$1285 by the time NY came in. The greenback continued to give back it's early gains through the NY session, and the yellow metal was able to grind it's way to the days high of \$1288 in fairly subdued trade. Silver mounted a modest rally, after dipping to a low of \$16.70 during Asian hours, the grey metal rebounded to the high of \$16.87 and a close just below. Palladium experienced choppy trade through the NY session but is still trading at a premium to platinum. The Philadelphia gold and silver index added 1.11%. The SPDR Gold Trust holdings were unchanged at 864.64 metric tonnes. Quiet trade expected today ahead of China's extended holiday. Gold is looking a little softer, printing a low of \$1284.00, with the SGE premium lower at \$7-8. The yellow metal is at \$1284.90 as I write. Silver drifting lower also, the grey metal is sitting at \$16.81 as I write. Palladium has garnered the most support today, firming \$5 to sit currently around the highs at \$936. Have a good day ahead



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