



MKS PAMP GROUP

Daily Asia Wrap

14th September 2017

Range Asian Hours
(from Globex open)

	GOLD	SILVER	PLATINUM	PALLADIUM
OPEN	1323.30/50	17.76/78	980/82	939/41
HIGH	1323.30/50	17.76/78	981/83	945/47
LOW	1318.40/60	17.67/69	977/79	938/40
LAST	1322.80/00	17.74/76	981/83	940/42

MACRO

U.S. producer prices rebounded during August, increasing +0.2% MoM (exp: +0.3%) to follow a -0.1% fall during July. On an annualised basis prices gained +2.4% YoY (exp: +2.5%) after advancing +1.9% YoY during July. Underpinning the headline print were strong gains to energy prices, while core PPI (ex food and energy) inched up +0.1% MoM (exp: +0.2%) from -0.1% previously and +2.0% YoY (exp: +2.1%) from +1.8% previously. Equity markets in the U.S. eked out modest gains on Wednesday; however it was enough to see all three of the major bourse's end at record closing levels for the second straight session. Strength to energy (+1.24%) and financials (+0.21%) was enough to overcome broader weakness and have the S&P 500 +0.08% higher at the closing bell, ending on the session high print of 2,498.37 points. The DJIA tacked on +0.18% to 22,158.18 points, while the Nasdaq Composite added +0.09% and end the session at 6,460 points. Oil futures booked a third consecutive gain on Wednesday, supported by an International Energy Agency report noting that global crude production fell during August for the first time in four months. WTI jumped +2.2% to USD \$49.30 per barrel, marking the highest close since early August, while Brent crude added +1.6% to USD \$55.16 per barrel, the highest finish since mid-April. Equities across Europe ended mixed on Wednesday, while in the U.K. the FTSE 100 eased -0.28% as a stronger pound piled pressure on the bourse. The Stoxx Europe 600 narrowly snapped a five session winning streak to close just -0.08% down, while the German Dax outperformed to add +0.23%.

PRECIOUS

Bullion fell for a third consecutive session on Wednesday, losing touch with USD \$1,330 to test key support around USD \$1,320 as the greenback surged higher. Relatively muted price action throughout Asian and European trade gave way to a heavy New York session, with the yellow metal trading well offered as U.S. yields marched higher and USD/JPY consolidated above 110.00 following a test below the figure in Europe. Participants were happy to sit on the sidelines during Asian trade today, awaiting the U.S. inflation data to drive direction. As we have become accustomed to seeing in recent days, bullion was broadly supported by underlying interest out of China, however unable to make any further headway higher. The yellow metal saw a sharp



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sweep through the USD \$1,320 support leading into the Shanghai open, however was largely range bound above this level for the remainder of trade amid relatively thin volumes. Bullion continues to see broad support around USD \$1,320, while should weakness continue, expectations are that interest between USD \$1,300 - \$1,310 will be supportive to restrict further declines. Focus tonight turns to the SNB and BOE monetary policy announcements; while today in the U.S. all eyes will be on the inflation report.

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