



MKS PAMP
GROUP

Daily Asia Wrap - 12th November 2019



Range Asian Hours
(from Globex open)

	GOLD	SILVER	PLATINUM	PALLADIUM
OPEN	1455.10/30	16.82/84	875/77	1688/91
HIGH	1457.10/30	16.90/92	878/80	1699/02
LOW	1454.75/95	16.81/83	873/75	1687/90
LAST	1456.30/50	16.86/88	878/80	1687/90

MARKETS/MACRO

A mixed session on Monday as lingering trade concerns kept markets in check, while an escalation in tensions in Hong Kong had investors on edge. The DJIA inched just +0.04% higher to 27,691.49 points, a fresh record closing high as Boeing shares popped on news that it will resume deliveries of 737 Max aircraft next month. The S&P 500 ended trade down -0.20% at 3,087.01 points as utilities (-0.68%) and energy (-0.57%) weighed upon the bourse, while the Nasdaq Composite finished -0.13% lower at 8,464.277 points. Currency majors held relatively range-bound on Monday, however the pound found interest (GBP/USD +0.48%) following confirmation from Nigel Farage that his Brexit party will not interfere with Boris Johnson's efforts to secure a parliamentary majority. The greenback finished the session lower (DXY -0.15%), giving back ground to the safe-haven yen (USD/JPY -0.15%), while the euro added a modest +0.09% against the dollar. Bond markets were closed due to Veteran's Day observance. On the data front, U.K. GDP increased +0.3% QoQ during 3Q (exp: +0.4%) to see the annualised print to +1.0% (exp: +1.1%), marking the weakest annual rate since 2010. Industrial production during September contracted -0.3% MoM from -0.7% previously, taking

the annualised figure to -1.4% YoY (prev: -1.8%). Manufacturing production meanwhile declined -0.4% MoM during September from a -0.7% fall previously, with the annualised print sliding to -1.8% YoY from -1.6% previously. Stocks in Europe finished lower on the back of fading U.S. – China trade deals hopes. The Stoxx Europe 600 eased just -0.02% lower to 405.34 points, the German Dax slid -0.23% lower to 13,198.37 points and in the U.K. the FTSE 100 declined -0.42% to 7,328.54 points.

PRECIOUS

A muted session across the precious complex in Asia today as metals consolidated following recent declines. The yellow metal broadly held support around USD \$1,450 on Monday, briefly testing underneath the figure amid thinner than usual liquidity due to the Veteran's Day holiday. Modest Chinese interest kept price action buoyant above the level today as Shanghai traded at a USD \$4 premium relative to London gold, however the session was held range-bound in leu of any external price drivers. ETF's recorded large outflows on Monday towards 500k ounces to weigh upon price action, however the latest CFTC data (as of Nov 5th) suggests speculative positioning remains elevated (this may not be the case following the break of USD \$1500 - \$1,480). The gold/silver ratio tempered somewhat on Monday and has continued to do so today following recent strength, however it sits currently at 86.33, holding just underneath the 100 DMA (86.47) and the 200 DMA (86.43) to potentially weigh further upon top-side gold moves. We look toward USD \$1,450 - \$1,446 to remain supportive for the metal, however any extension underneath this level will likely see USD \$1,400 - \$1,390 tested. Silver has held support around USD \$16.80 in Asia today following the sharp move to USD \$16.68 in New York on Monday that was quickly pared. The grey metal will need to pivot above USD \$17 to see further interest, however is benefiting from GSR at current levels. Palladium saw early Asian physical interest sub USD \$1,700 today following the -3% fall on Monday, however demand has waned this afternoon and prices have settled back underneath opening levels. Data today includes U.K. employment prints and Germany ZEW survey results.

Although the information in this report has been obtained from and is based upon sources MKS believes to be reliable, we do not guarantee its accuracy and it may be incomplete or condensed. All opinions and estimates constitute MKS' judgment as of the date of this report and are subject to change without notice. This report is for informational purposes only and is not intended as investment advice, offer or solicitation for the purchase or sale of an investment. This report does not consider or take into account the investment objectives or financial situation of a particular party.