



MKS PAMP  
GROUP

## Daily Asia Wrap - 13th January 2020



Range Asian Hours  
(from Globex open)

	GOLD	SILVER	PLATINUM	PALLADIUM
OPEN	1559.80/00	18.06/08	978/80	2109/12
HIGH	1560.50/70	18.08/10	978/80	2118/21
LOW	1554.40/60	18.01/03	973/75	2109/12
LAST	1555.20/40	18.02/04	973/75	2115/18

### MARKETS/MACRO

A disappointing jobs print out of the U.S. on Friday created headwinds for equity markets, with major bourses finishing the session in the red. The DJIA ended the session off -0.46% at 28,823.77 points, weakness across financials (-0.78%) and industrial stocks (-0.71%) weighed upon the S&P 500 as the bourse slipped -0.29% to 3,265.35 points, while the Nasdaq Composite handed back -0.27% to 9,178.86 points. On the data front, U.S. nonfarm payrolls underwhelmed during December to print 145k (exp: 160k). Revisions to previous months compounded the soft figure, with both the October and November figures being cut to tune of -14k combined. The unemployment rate was steady at 3.5%, while wage growth rose by just +2.9% YoY (exp: +3.1%), the first-time wage growth registered underneath 3% on a year-over-year basis since July 2018. On a positive note, the underemployment rate declined to 6.7% from 6.9% previously, the lowest figure since records began in 1994. Wholesale inventories in the U.S. meanwhile were revised lower during November, contracting -0.1% MoM from a flat estimate previously. The greenback retraced earlier session gains following the NFP print, ending

modestly lower on the session (DXY -0.08%) as the euro pushed back above 1.11 (EUR/USD +0.16%), while the yen held relatively unchanged. Treasury yields declined as investors moved into safety, seeing the two-year down 1.4bps to 1.57% and the 10-year 4bps lower to 1.816%.

## **PRECIOUS**

A modest offered tone across the precious complex to begin the week in Asia, however metals remain within recent ranges in lieu of price drivers. Gold spent little time above USD \$1,560, easing underneath the level on the open and lacking in real demand leading into China as Japan took leave for 'Coming Of Age Day'. Shanghai saw gold trade at a premium around USD \$5 relative to spot, failing to entice interest in the broader market and testing the mild support around USD \$1,555. The post-NFP move into safe-haven assets looks to have run its course, with the bulk of Asian equities trading higher today and the yen under-pressure (USD/JPY +0.14%) albeit amid holiday flows. Gold still finds favor around current levels and demand should continue to be evident toward USD \$1,550 - \$1,530 over the near term. Vols continue to drift lower as the U.S. – Iran situation abates further, while ETF outflows remain. Much the same price action for silver as the grey metal sits around the USD \$18 support level having tracked modestly lower today, while the white metals have edged sideways. Focus this week is on the U.S. – China phase 1 trade deal, while tensions in the Middle East will be closely monitored amid protests in Tehran.

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