



MKS PAMP
GROUP

Daily Asia Wrap - 15th November 2019



Range Asian Hours
(from Globex open)

	GOLD	SILVER	PLATINUM	PALLADIUM
OPEN	1471.30/50	17.02/04	881/83	1739/42
HIGH	1471.40/60	17.03/05	883/85	1747/50
LOW	1465.60/80	16.93/95	880/82	1737/40
LAST	1466.00/20	16.95/97	882/84	1743/46

MARKETS/MACRO

The market mood was a little more sombre overnight after ongoing negative news flows surrounding a U.S. - China trade deal weighed upon market sentiment. U.S. equities managed to close narrowly mixed despite the risk off tone. The DJIA inched -0.01% lower to 27,781.96 points, the S&P500 ticked up +0.08% to 3,096.63 points and the Nasdaq Composite eased -0.04% to 8,479.02 points. The greenback declined -0.20%, largely a result of safe-haven flows into the yen (USD/JPY -0.35%) and the Swiss Franc (USD/CHF - 0.15%). Treasury yields softened to see the two-year 4.6bps lower to 1.589% and the 10-year off 5.7bps to 1.82%. On the data front, producer prices in the U.S. for final demand lifted 0.4% m/m in October, outperforming expectations and reversing months of negative prints. Excluding the food, energy and trade components – which tend to be volatile – the index lifted 0.1% m/m in October and 1.5% y/y. The number of people making initial jobless claims in the US lifted last week to 225,000, which is the highest level since June. This data will now be watched closely to see if this trend continues. The weekly print saw the less volatile four-week moving average inch 1,750 higher to

217,000. U.K. consumers showed more constraint in October than expected, with retail sales data for the month falling 0.1%. A similar trend occurred last year, with spending then popping back up in November, but as the data currently stands, it may fuel expectations that the BoE needs to ease. Germany dodged a technical recession by posting 0.1% GDP growth for Q3. The economy was supported by additional construction activity and spending by private households and the state. Exports lifted slightly but the trade outlook remains weak, as does the outlook for the automotive sector. Major European indices continued the previous days sell-off on lingering trade concerns. The Euro Stoxx 600 gave up -0.36% to 404.41 points, the DAX retreated -0.38% to 13,180.23 points and in London the FTSE 100 dropped -0.8% to 7,292.76 points.

PRECIOUS

The precious complex eased modestly during Asian hours today as trade comments out of the White House lifted risk sentiment. Economic adviser Larry Kudlow said that the U.S. and China are getting closer to a trade agreement. At an event at the Council of Foreign Relations in Washington Kudlow noted that "It's not done yet, but there has been very good progress and the talks have been very constructive," The Kudlow headlines saw gold underneath USD \$1,470 in early session pricing, seeing support around the Chinese open, before extending further to touch a USD \$1,465.60 session low in afternoon flows. The yellow metal remains pinned underneath the resistance band through USD \$1,475 - \$1,480 following Thursday's USD \$1,474.50 high print, however continues to see supportive interest initially toward USD \$1,460, with firmer support around USD \$1,445 – USD \$1,450. Silver saw volatile pricing in New York on Thursday, extending above USD \$17 on multiple occasions and holding the figure into the close. It was a different story in Asia today however, as the grey metal lost touch with the psychological figure following weakness out of China, easing to a USD \$16.93 low before supportive interest restricted further declines. The gold/silver ratio sits around 86.40, pegged just underneath the 200DMA at 86.48 to provide supportive interest for silver over the near-term. Platinum has been able to consolidate Thursday's gains above USD \$880, while palladium firmed and tested toward USD \$1,750. Data today includes Eurozone CPI, U.S. Empire manufacturing, U.S. import prices, U.S. retail sales, U.S. industrial production and U.S. capacity utilisation.

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