



MKS PAMP
GROUP

Daily Asia Wrap - 17th November 2020



Range Asian Hours
(from Globex open)

	GOLD	SILVER	PLATINUM	PALLADIUM
OPEN	1889.50/00	24.77/80	928/31	2333/48
HIGH	1892.25/75	24.80/83	929/32	2338/53
LOW	1886.00/50	24.66/69	923/26	2322/37
LAST	1886.30/80	24.70/73	923/26	2322/37

MARKETS/MACRO

Vaccine headlines underpinned risk-on sentiment across U.S. equities on Monday, propelling both the Dow Jones Industrial Average and the S&P 500 to fresh record highs. Moderna reported on Monday that interim results of the phase 3 trial showed its vaccine candidate was 94.5% effective against the coronavirus and expectations are that there will be up to 20 million doses available to ship in the United States this year, with a further 500 million to 1 billion forecasted to be produced during 2021. The news buoyed risk sentiment and pushed the Dow Jones Industrial Average +1.60% higher to a record close of 29,950.44 points, the S&P 500 gained +1.16% to a fresh record close at 3,626.91 points, while the tech-laden Nasdaq Composite finished +0.80% higher at 11,924.129 points. There were further declines to the greenback on Monday in mixed trade (DXY - 0.19%), with vaccine-induced gains pared late in trade. The Euro held above 1.1800 to finish +0.22% higher, while the Japanese Yen inched +0.1% higher in whippy trade. Treasury yields finished firmer as bonds declined, seeing the two-year inch 0.2bps higher to 0.179%, while the 10-year gained 1.2bps to 0.9094%. On the data front, the U.S.

Empire state manufacturing index cratered to 6.3 (exp: 13.5) during November, 4.2 points lower than October's 10.5 print as the shipments index dropped sharply to mark a five-month low at 6.3. Markets across Europe rallied to see the pan-European Stoxx 600 gain +1.18% to 389.74 points, the German Dax added +0.47% to 13,138.61 points, while in London the FTSE 100 surged +1.66% to 6,421.29 points on the back of Brexit optimism.

PRECIOUS

A muted session across the precious complex during Asian trade today, in stark contrast to the price action observed on Monday following the vaccine headlines from Moderna. Gold spent the session pinned to the USD \$1,890 level, amid lethargic flows as less than 20k lots passed through Globex into the European open. Chinese interest did little to entice spot flows as the on-shore discount held toward USD -\$16, while currency majors were firmer relative to the greenback to provide modest support to precious prices. Near-term drivers to price action will undoubtedly be coronavirus cases in both the U.S. and Europe, however the positive vaccine headlines are seeing some participants rotate out of metals as has been evidenced by recent ETF outflows. Hard support for the yellow metal remains at USD \$1,850 - \$1,840, however any tests toward these levels may see ETF redemptions accelerate to weigh upon near-term pricing. Platinum has been an outperformer in recent sessions, consolidating a move above USD \$900 as investors look to the metal to benefit from an increase in global growth on the back of vaccine developments. Data releases today include U.S. retail sales, U.S. import price index, U.S. industrial production, U.S. NAHB housing market index and U.S. net long-term TIC flows.

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