



MKS PAMP  
GROUP

## Daily Asia Wrap - 18th November 2019



Range Asian Hours  
(from Globex open)

	GOLD	SILVER	PLATINUM	PALLADIUM
OPEN	1468.40/60	16.97/99	890/92	1708/11
HIGH	1469.60/80	17.00/02	892/94	1728/31
LOW	1464.70/90	16.87/89	888/90	1707/10
LAST	1465.00/20	16.87/89	890/92	1720/23

### MARKETS/MACRO

Stocks remained in favour on Friday as sentiment was buoyed by positive trade comments out of the White House. Economic adviser Larry Kudlow said on Thursday that the parties were “getting close” to signing phase one of the trade agreement. The DJIA finished the session above 28,000 points for the first time, adding +0.80% to 28,004.89 points and notching a fourth consecutive weekly gain. The S&P 500 ended +0.77% higher at 3,120.46 points as health care (+2.21%) and technology stocks (+0.84%) underpinned gains, while the Nasdaq Composite finished +0.73% higher at 8,540.829 points. On the data front, U.S. retail sales advanced +0.3% MoM (exp: +0.2%) during October, following September’s -0.3% fall. Auto sales increased +0.5% during October to reverse a -1.3% fall in September, online and mail-order retail sales increased +0.9%, while sales at clothing stores (-1.0%) and furniture stores (-0.9%) lagged. U.S. import prices remained under pressure during October, sliding -0.5% MoM (exp: -0.2%) from a negatively revised +0.1% gain the month prior (prev: +0.2%). The Empire state manufacturing index eased modestly to 2.9 during November (exp: 6.0) from 4.0 previously, largely weighed down

by declines across shipments and unfilled orders. Finally, industrial production in the U.S. collapsed -0.8% MoM (exp: -0.4%) during October, marking the largest decline since May 2018, while capacity utilisation fell to 76.7% (exp: 77.0%) during October, the lowest print in 25-months. The greenback remained under pressure on Friday (DXY - 0.14%), largely seeing weakness across the euro (EUR/USD +0.33%), while the yen gave back some recent gains (USD/JPY +0.35%). Treasury yields meanwhile were little changed as the two-year firmed 1bp to 1.612% and the 10-year pushed 0.9bps higher to 1.834%.

## **PRECIOUS**

The precious complex traded with a mild offered skew in Asian hours today, finding little support from an ailing dollar as gold moved away from USD \$1,470 following an early session test higher. Chinese interest withered with the on-shore premium moving toward USD \$3, weighing upon spot to see gold move underneath USD \$1465 in afternoon trade. Recent ETF outflows continue to create headwinds for the metal moving through the USD \$1,480 pivot level, while reductions to CFTC length are adding further downwards pressure. Expect top-side moves toward USD \$1,475 - \$1,480 to remain sold into, while the key down-side levels remain toward USD \$1,445 - \$1,450, with a break through the support suggesting a move as far as USD \$1,390 - \$1,400. Silver struggles to consolidate above the USD \$17 key psychological pivot and has drifted away from the figure during Asian trade today. Platinum remains resilient toward USD \$900 and looks robust above the 100 DMA at USD \$888 and more broadly the 200 DMA at USD \$865, while palladium has consolidated above USD \$1,700 following a late session test lower in New York on Friday.

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