



MKS PAMP
GROUP

Daily Asia Wrap - 23rd November 2020



Range Asian Hours
(from Globex open)

	GOLD	SILVER	PLATINUM	PALLADIUM
OPEN	1869.80/30	24.09/12	944/47	2320/35
HIGH	1875.60/10	24.38/41	951/54	2340/55
LOW	1868.20/70	24.08/11	944/47	2319/34
LAST	1874.30/80	24.29/32	950/53	2337/52

MARKETS/MACRO

A softer session across stocks in the U.S. on Friday as the Federal Reserve and the Treasury disagree over the failure to extend the emergency funds facilities, potentially reducing the Fed's ability to support the economy. The Dow Jones Industrial Average posted a -0.75% decline to 29,263.48 points, the S&P 500 fell -0.68% to 3,557.54 points, while the tech-laden Nasdaq Composite eased -0.42% to 11,854.97 points. The greenback posted a positive session against majors on Friday amid risk-off sentiment, seeing the DXY finish +0.1% higher. The Euro eased -0.18%, however found a base toward 1.1850, while the Australian dollar pivoted back above 0.7300 and the Japanese Yen held a narrow range to finish flat on the session. Treasury yields ended modestly lower on the back of the Fed/Treasury headlines, seeing the two-year finish 0.8bps lower to 0.155%, while the 10-year declined 0.7bps to 0.822%. On the data front, U.K. retail sales increased +1.2% MoM during October, while on an annualised basis, sales increased to +5.8% YoY from +4.6% previously. Consumer confidence in the Eurozone declined during November, falling to -17.6 (exp: -18.0) from -15.5 previously. Stocks

across Europe finished firmer on Friday to see the pan-European Stoxx 600 add +0.52% to 389.61 points, the German Dax gained +0.39% to 13,137.25 points and in London the U.K. FTSE 100 climbed +0.27% higher to 6,351.45 points.

PRECIOUS

A narrow rangy session during Asian trade to start the week, with gold holding Friday's gains, however unable to make headway higher. The yellow metal spent the majority of the session pinned toward USD \$1,870, with any dips underneath the level seeing good bids. Chinese interest was muted as the on-shore discount held toward USD -\$15, while both on-shore and off-shore USD/Yuan tracked sideways. The yellow metal remains sensitive to vaccine headlines, while increasing Covid cases are not conversely providing a strong bid for the metal as participants continue to be forward looking into the recovery. ETF flows remain the barometer for gold as participants look toward asset reallocation, while this week we see the December Comex expiry that may keep a lid on any top-side moves in a shortened Thanksgiving week. Technically USD \$1,850 continues to be the main down-side level in focus, while USD \$1,900 continues to see sizeable offers and will be the main pivot for a recovery higher. Silver price action saw an early decline toward USD \$24.10 find immediate interest, while broad selling pressure though the 50 DMA at USD \$24.40 and the 100 DMA at \$24.58 is currently keeping further gains in-check. Platinum straddled the USD \$950 level today in a narrow range, while palladium sits buoyant above USD \$2,300. Data releases today include Markit manufacturing/services/composite PMI prints from France, Germany, Eurozone, the U.K. and the U.S. We also see the Chicago Fed national activity index.

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