



MKS PAMP
GROUP

Daily Asia Wrap - 26th November 2019



Range Asian Hours
(from Globex open)

	GOLD	SILVER	PLATINUM	PALLADIUM
OPEN	1455.30/50	16.88/90	897/99	1798/01
HIGH	1455.30/50	16.89/91	901/03	1808/11
LOW	1451.60/80	16.81/83	893/95	1798/01
LAST	1454.50/70	16.86/88	901/03	1803/06

MARKETS/MACRO

The major U.S. bourses set both fresh record intraday and closing records on Monday as investor sentiment was buoyed by positive U.S. - China trade headlines. The DJIA ended the session +0.68% higher at a fresh record close of 28,066.47 points, gains across technology (+1.43%) and health care (+1.07%) underpinned the S&P 500 +0.75% to a fresh record close at 3,133.64 points, while the Nasdaq Composite jumped +1.32% to a fresh record close at 8,632.488 points. Driving the positive mood were comments over the weekend from U.S. national security advisor Robert O'Brien, who noted at a security conference in Halifax that a 'phase one' deal between the U.S. and China by the end of the year still appeared possible. Meanwhile in Hong Kong, pro-democracy candidates won an astounding 347 of 452 district council seats, while the distribution of the winning candidates see the opposition pro-democracy councillors control seventeen of 18 districts. While there has been no formal response from Beijing, Foreign Minister Wang Yi commented in Japan that "no matter what happens, Hong Kong is a part of China". Currency majors held a narrow range against the greenback on Monday, with

risk-on sentiment underpinning a +0.21% move higher to USD/JPY, while the pound recovered the majority of Friday's declines as GBP/USD traded back above 1.29. Treasury yields reversed an early session move higher to see the two-year off 1.6bps to 1.611%, while the 10-year finished 2.4bps lower at 1.75%. On the data front, the Chicago National activity index for October fell to -0.71 (exp: -0.20) from -0.45 previously, while the Dallas Fed manufacturing index improved during November to -1.3 (exp: -3.8) from -5.1 previously.

PRECIOUS

Gold extended declines during Asian trade today following positive trade headlines. Reports from news outlet Xinhua noted that top trade negotiators from both the U.S. and China held a phone call and that the parties had reached a 'consensus on solving issues'. The news saw a pop in risk to drive gold to the session low of USD \$1,451.80, further extending early session weakness. Prior to the news we saw Monday's low breached in the lead-up to the Chinese open, however mild supportive interest remained to restrict a test of USD \$1,450 throughout the session and bullion was able to push back toward USD \$1,455 heading into European trade. It is worth noting that we have seen a mild uptick to the on-shore premium in China today, pushing toward USD \$4 relative to spot. The record prints to equities continues to create headwinds for gold and the metal moves closer to a re-test of the hard support around USD \$1,450 - \$1,445 as we roll out of the December futures contract. Silver remains heavy underneath USD \$17 and while range-bound today, did print a USD \$16.81 low on the trade headlines. With regards to the white metals, platinum has managed to regain the USD \$900 this afternoon after holding the 100 DMA on Monday, while palladium firms above USD \$1,800.

Although the information in this report has been obtained from and is based upon sources MKS believes to be reliable, we do not guarantee its accuracy and it may be incomplete or condensed. All opinions and estimates constitute MKS' judgment as of the date of this report and are subject to change without notice. This report is for informational purposes only and is not intended as investment advice, offer or solicitation for the purchase or sale of an investment. This report does not consider or take into account the investment objectives or financial situation of a particular party.