



MKS PAMP
GROUP

Daily Asia Wrap - 26th November 2020



Range Asian Hours
(from Globex open)

	GOLD	SILVER	PLATINUM	PALLADIUM
OPEN	1808.80/30	23.32/35	965/68	2337/52
HIGH	1812.80/30	23.43/46	970/73	2375/90
LOW	1806.90/40	23.19/22	964/67	2337/52
LAST	1808.90/40	23.24/27	965/68	2368/83

MARKETS/MACRO

A quiet session in the U.S. on Wednesday heading into Thanksgiving, with investors picking up tech stocks to see the Nasdaq Composite (+0.48%) outperform the broader market. Mixed data releases weighed upon stocks to see the Dow Jones Industrial Average decline -0.58% to 29,872.47 points, while the S&P 500 fell -0.16% to 3,629.65 points. On the data front, the Fed minutes from November hinted at forward guidance in December, noting “most” participants agreed the Fed should provide “qualitative outcome-based guidance”. Initial jobless claims in the U.S. increased by 36k during the week ended November 21, printing 778k (exp: 730k) and taking the four-week moving average 5k higher to 748k. Continuing claims meanwhile declined 300k to 6.071 million during the week ended November 14. GDP in the U.S. held at 33.1% QoQ during Q3, while core PCE was also unmoved at +3.5% QoQ during 3Q. Durable goods orders in the U.S. gained +1.3% on a provisional basis during October (exp: +0.8%) from +2.1% the month prior, however the headline print was driven by a large increase in defense spending, while capital goods orders (non-defense, ex-air) gained +0.7% during October

(exp: +0.5%) from +1.9% previously. Consumer spending in the U.S. improved +0.5% during October (exp: +0.4%) from +1.2% previously, however personal income declined -0.7% (exp: -0.1%) from +0.7% previously. New home sales in the U.S. declined -0.3% during October to an annualised 999k, well below expectations of a +1.7% gain, however tempered by a revised +0.1 increase during September from -3.5% previously. Finally, out of the U.S. the University of Michigan's gauge of consumer confidence eased to 76.9 during November (final) from an initial read of 77.0, however notably down on October's 81.8. The greenback continued to trade heavily on Wednesday, seeing the DXY index -0.15% lower to decline underneath 92.00. The Euro (+0.17%) consolidated above 1.1900, while the Japanese Yen held unchanged. Treasury yields traded offered ask risk waned, seeing the two-year 0.2bps lower to 0.16%, while the 10-year eased 0.4bps to 0.879% after rallying late in trade. European markets finished the session with modest declines, as the pan-European Stoxx 600 slide -0.08% to 392.09 points, the German Dax eased -0.02% to 13,289.80 points, while in London the U.K. FTSE 100 reversed early session gains to finish -0.64% lower at 6,391.09 points.

PRECIOUS

A relatively subdued session in Asian trade today with the exception of palladium, as the white metal saw strong interest during the afternoon to add over +2% on the session. Gold saw light flows throughout today's session as participants move into the active February Comex contract, with only 15k contracts having passed through the exchange at the time of writing, while December has seen around 10k contracts, with approximately 5k lots on the switch between the two. Chinese interest has lightened as the on-shore discount sits just underneath USD -\$20, with a mild offered bias across USD/Yuan today (both on-shore and off-shore). For the time-being, interest toward USD \$1,800 is keeping price action buoyant in the face of continued ETF outflows, while a softer greenback is likely to remain supportive to the yellow metal over the near term. Palladium outperformed today to jump close to USD \$40 in afternoon Asian trade on good regional demand, while platinum held recent gains and is still benefiting from Asian physical interest. Data today includes France CPI, France GDP and Eurozone consumer confidence.

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.