



MKS PAMP
GROUP

Daily Asia Wrap - 27th November 2019



Range Asian Hours
(from Globex open)

	GOLD	SILVER	PLATINUM	PALLADIUM
OPEN	1461.30/50	17.08/10	908/10	1812/15
HIGH	1462.00/20	17.09/11	908/10	1813/16
LOW	1459.00/20	17.01/03	903/05	1805/08
LAST	1459.50/70	17.03/05	904/06	1806/09

MARKETS/MACRO

Rinse and repeat. Again, fresh intraday and closing all-time highs for U.S. stocks on Tuesday on the back of trade optimism. China's Ministry of Commerce said in a statement that Vice Premier Liu He spoke with U.S. Trade Representative Robert Lighthizer and Treasury Secretary Steven Mnuchin on Tuesday morning Beijing time. According to the statement, the parties "...reached consensus on how to resolve related issues, and agreed to maintain communication on the remaining issues in the first phase of agreement negotiations," The DJIA ended the session +0.20% higher at 28,121.68 points, gains across consumer staples (+0.82%) and real estate stocks (+1.44%) underpinned a +0.22% gain to the S&P 500 at 3,140.52 points, while the Nasdaq Composite firmed +0.18% to 8,647.934 points. Remarks from Federal Reserve Chair Jerome Powell late on Monday indicated interest rates would remain at current levels over the near-term. Powell commented that recent cuts had placed rates at a level "likely to remain appropriate." and that, "At this point in the long expansion, I see the glass as much more than half full," The remarks did little to the greenback (DXY

+0.08%), however the buck was able to benefit from a mild risk-on tone to add +0.12% against the Japanese yen. Treasury yields ticked modestly lower across the curve to see the two-year ease 1.8bps to 1.585%, while the 10-year slipped 2.4bps to 1.741%. On the data front, wholesale inventories in the U.S. rebounded +0.2% MoM during October, in-line with expectations to follow a -0.7% decline in September. The trade deficit in the U.S. narrowed during October as both exports and imports declined. The trade gap fell by 5.7% to USD \$66.5 billion (exp: USD \$71.0 billion) as exports posted a -0.7% fall, while imports sunk -2.4%. Meanwhile new home sales in the U.S. declined -0.7% MoM (exp: +0.6%), however saw September's figure revised upwards to +4.5% (prev: -0.7%) to mark the highest level since July 2007. Finally, consumer confidence in the U.S. eased during November, dipping modestly to 125.5 (exp: 127.0) from 126.1 previously. The print was the fourth consecutive fall and was led by weakness across the present situation index, sliding to 166.9 from 173.5 previously.

PRECIOUS

The precious complex extended an offered tone throughout Asian hours today amid muted volumes. Gold struggled to find direction throughout the session, easing underneath USD \$1,460 in early flows in absence of any key price drivers. Shanghai initially provided support, however the metal soon re-commenced its downward trajectory, albeit within a USD \$3 range as the on-shore premium in China held around USD \$3.50. The dollar firmed modestly throughout the session to weigh upon pricing, while there were no further trade related headlines to speak of. Gold remains range-bound with hard support sitting toward USD \$1,445 - \$1,450, a level that was tested on Tuesday, while top-side resistance cuts in toward USD \$1,475 - \$1,480. Silver has remained buoyant above USD \$17 today, while both platinum and palladium hold key figures of USD \$900 and USD \$1,800 respectively. Data today includes U.S. MBA mortgage applications, U.S. GDP, U.S. personal consumption, U.S. GDP price index, U.S. core PCE, U.S. durable goods orders, U.S. initial jobless claims, the MNI Chicago PMI, U.S. personal income/spending and U.S. pending home sales.

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