



MKS PAMP
GROUP

Daily Asia Wrap - 28th October 2019



Range Asian Hours (from Globex open)

	GOLD	SILVER	PLATINUM	PALLADIUM
OPEN	1504.30/50	18.03/05	925/27	1765/68
HIGH	1506.30/50	18.09/11	928/30	1778/81
LOW	1502.20/40	18.00/02	923/25	1765/68
LAST	1504.00/20	18.03/05	926/28	1778/81

MARKETS/MACRO

U.S. equities ended the session firmer on Friday as sentiment was buoyed by renewed hopes of a trade deal between the U.S. and China. Supporting the risk-on tone were reports that U.S. trade representative Robert Lightizer and Treasury Secretary Steven Mnuchin had spoken with Chinese Vice Premier Liu He on Friday, with the parties making progress on the first phase of a potential trade deal. The DJIA finished the session +0.57% higher at 26,958.06 points, gains across technology (+1.20%) and materials (+1.04%) underpinned the S&P 500 to a +0.41% gain at 3,022.55 points, while the Nasdaq Composite firmed +0.70% to 8,243.119 points. The greenback pushed higher to add +0.15% on the back of the risk-on tone, firming against the safe-haven yen (USD/JPY +0.1%) and the euro (EUR/USD -0.21%). Treasury yields pushed higher as investors underpinned gains across equities, taking the two-year 4.6bps higher to 1.621% and the 10-year 3.7bps higher to 1.80%. On the data front, the University of Michigan gauge of consumer sentiment (final) was revised down to 95.5 during October from 96.0 previously. Markets in Europe were generally higher on Friday as the Stoxx Europe 600 added +0.16% to 398.01 points, the German Dax tacked on +0.17% to 12,894.51 points, while in London the FTSE 100 eased -0.05% to 7,324.47 points as both Brexit and election news

weighed upon sentiment.

PRECIOUS

A relatively muted session across the precious complex during Asian trade today as we head toward this week's FOMC meeting. Flows across Comex remained suppressed as Singapore took leave for Diwali, seeing gold hold a narrow USD \$4 range while remaining buoyant above USD \$1,500. Early session Chinese demand saw gold to the session high of USD \$1,506.30 during the first hour of Shanghai trade, with the on-shore premium holding around USD \$6 relative to spot and doing little to entice participants into the market. The psychological USD \$1,500 figure remains the key pivot for near-term price direction and although the support has thus far held, the price action in New York on Friday was disappointing considering USD \$1,518 high print. Silver held USD \$18 in Asia today after oscillating either side of the figure on Friday, however much like gold finished on a disappointing note in New York after touching a session high of USD \$18.34. The grey metal will look toward USD \$18 as an initial pivot, however continues to see support extend as far as USD \$17.80 - \$17.85. With regards to the white metals, platinum held a narrow USD \$5 range today and currently sits relatively unchanged on the session, while palladium has seen solid demand to add around USD \$13 as continued tightness underpins price action. Data releases today include the Chicago Fed National activity index, U.S. wholesale inventories and the Dallas Fed manufacturing activity print.

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