



MKS PAMP
GROUP

Daily Asia Wrap - 29th November 2019



Range Asian Hours
(from Globex open)

	GOLD	SILVER	PLATINUM	PALLADIUM
OPEN	1455.30/70	16.93/95	891/93	1840/43
HIGH	1458.40/80	16.97/99	895/97	1845/48
LOW	1455.00/40	16.91/93	891/93	1830/33
LAST	1458.20/60	16.96/98	895/97	1831/34

MARKETS/MACRO

With US markets closed for Thanksgiving there was only a small amount of European data out to move markets yesterday. While the data was generally positive, European equities still sagged, giving up much of the gains made from the previous session. The Euro Stoxx 600 slipped -0.14%, DAX fell -0.31%, the FTSE100 gave up -0.18% and the CAC40 retreated -0.24%. The dollar was broadly unchanged in thin liquidity while activity on the news front was equally light. The WSJ did report overnight that the window for a trade deal remains open even after the President signed into law the HK Human Rights and Democracy Act. The Chinese had warned that such an action would warrant retaliatory measures, though such measures have yet to be announced, following a pattern of sometimes veiled and hazy statements that have been sporadically acted upon. Elsewhere, Crude oil prices dipped as hopes for deeper cuts from OPEC faded.

On the data front Consumer price data for Germany lifted to +1.2% from a previous reading of +0.9%. The lift in the headline annual inflation data was closely aligned with market expectations. This paves the way for a lift in the euro area inflation data due later today. Euro area economic confidence rose in November at a slightly faster rate than expected. The EC's Economic Sentiment Indicator increased to 101.3 in November from 100.8 in October. Improvements were recorded in sentiment in the industrial

and services sectors, while consumer confidence was unchanged at -7.2. The UK Nationwide Housing Price Index lifted at an annual rate of +0.8% in November, which was stronger than market expectations. Prices lifted +0.5% m/m in November, the strongest monthly gain since July. This strength was put down to low interest rates and 'boredom' around Brexit.

PRECIOUS

Unsurprisingly it was a quiet session for gold yesterday, the metal confined to a ~\$5 range in the shortened thanksgiving session, trading light volume. Very little to report really, the metal finding some light safe-haven buying after President Trump signed the HK human rights bill. Central banks continue to boost holdings, the latest to announce purchases is Turkey's central bank, reporting purchases of 15.1 tonnes during October. Palladium continues to kick goals, with investors piling into the precious metal over the past few weeks. Strong demand from China and sluggish supply growth have tightened the physical market for Pd, as well as the rise in ETF holdings. The white metal has rebounded strongly after a slump in mid-November (\$1690 low) to trade to fresh all-time highs overnight at \$1843, so a \$150 turnaround (+9.7%).

In the aftermath of the Thanksgiving holiday and with little in way of data out today in Asia, the precious metals remained very subdued. Gold has very gradually ticked up a few dollars after trading towards \$1455 early morning we have ground our way up to \$1458. Silver has traded a tight range and palladium after angling to fresh highs during the morning has fallen back off on some profit taking. On the data calendar today look out for French CPI and PPI, German retail sales and employment, UK mortgage approvals, Euro Zone CPI and employment, Canadian GDP and on Saturday Chinese Manufacturing and non-manufacturing CPI. Have a great weekend.

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