



MKS PAMP
GROUP

Daily Asia Wrap - 30th October 2019



Range Asian Hours
(from Globex open)

	GOLD	SILVER	PLATINUM	PALLADIUM
OPEN	1487.30/50	17.81/83	920/22	1779/82
HIGH	1489.80/00	17.84/86	923/25	1787/90
LOW	1487.00/20	17.75/77	919/21	1777/80
LAST	1487.80/00	17.78/80	920/22	1787/90

MARKETS/MACRO

In political news, the U.K. is set for a December 12 general election after MPs backed Boris Johnson's call to give the public a choice and break the deadlock surrounding Brexit. The House of Commons approved legislation by 438 votes to 20 votes, while more than 100 Labour MPs did not take part or abstained. With regards to the evolving trade discussions between the U.S. and China, headlines on Tuesday indicated the parties are likely to sign an interim trade deal at the upcoming Asia-Pacific Economic Cooperation summit in Chile. Stocks in the U.S. eased marginally on Tuesday following Monday's record close to the S&P 500, with the bourse snapping a four-session winning streak. Mixed corporate earnings and economic data kept equities range-bound as participants focused on Wednesday's FOMC decision. The DJIA eased just -0.07% to 27,071.42 points, the S&P 500 dipped -0.08% to 3,036.89 points and the Nasdaq Composite fell -0.59% to 8,276.852 points as Alphabet's (Google's parent) Q3 profit missed expectations. The greenback ended modestly lower (DXY -0.07%) after paring early session gains, seeing volatility against both the Canadian dollar (USD/CAD +0.24%) and the British Pound (GBP/USD +0.1%) on the back of BOC/FOMC rates

decisions and British election headlines respectively. Treasury yields declined on Tuesday as the FOMC commenced its two-day meeting. The 10-year saw a modest fall of 1.8bps to 1.835% and the two-year edged just 1bp lower to 1.695%. Consumer confidence in the U.S. eased to 125.9 (exp: 128.0) during October, marking the lowest print since June as concerns over the short-term outlook for business conditions and the labour market weighed upon the headline print. Meanwhile pending home sales in the U.S. firmed +1.5% MoM during September (exp: +0.9%). Stocks across Europe eased on Tuesday ahead of the FOMC meeting on Wednesday. After finishing at a 22-month high on Monday, the Stoxx Europe 600 declined -0.16% to 398.37 points, the German Dax slipped just -0.02% to 12,939.62 points and in London the FTSE 100 fell -0.34% to 7,306.26 points.

PRECIOUS

As expected, a muted session across the precious complex in Asia as we head toward the FOMC decision today. Gold received a mild bid out of Shanghai in early Chinese trade, however failed to capture any follow through interest and saw gains capped by offers around USD \$1490 as the on-shore premium held toward USD \$5. The yellow metal saw little in the way of direction from currency majors as the greenback held a narrow range, while regional equities edged lower to see the Shanghai Composite down around -0.5% and the Nikkei off -0.6%. Volumes across Comex remain depressed as participants both keep their powder dry into today's FOMC meeting in addition to the lightening of positioning following the recent move to USD \$1,518 and then back-underneath USD \$1,500. Supportive interest remains evident through USD \$1,480 - \$1,475, while USD \$1,500 remains the key near-term pivot for a test toward USD \$1,520. Both silver and platinum held narrow ranges during Asian hours today, while palladium pared some of the New York declines to once again target a move above USD \$1,800 as tightness continues to underpin pricing. All eyes today on the FOMC announcement, however in the lead-up we also see German employment data, German CPI, U.S. MBA mortgage applications, U.S. ADP employment and U.S. GDP.

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