



MKS PAMP
GROUP

Daily Asia Wrap - 3rd December 2019



Range Asian Hours
(from Globex open)

	GOLD	SILVER	PLATINUM	PALLADIUM
OPEN	1462.10/30	16.91/93	897/99	1851/54
HIGH	1463.90/10	16.93/95	899/01	1854/57
LOW	1461.40/60	16.89/91	897/99	1848/51
LAST	1462.20/40	16.91/93	898/00	1853/56

MARKETS/MACRO

Stocks in the U.S. were sold sharply lower on Monday as softer than expected data and trade jitters had investors on edge. The major bourse's suffered their largest falls in close to eight-weeks, booking the sharpest single-session percentage declines since October 8. The DJIA finished the session -0.96% lower at 27,783.04 points, heavy trade across industrial stocks (-1.61%) and real estate stocks (-1.75%) saw the S&P 500 -0.86% down to 3,113.87 points, while the Nasdaq Composite sunk -1.13% to 8,567.988 points. In trade headlines, U.S. Commerce Secretary Wilbur Ross suggested that further levies may be imposed upon Chinese goods if no phase one agreement can be made by what he sees as a 'logical deadline' of December 15. The comments came as the White House reinstated tariffs on steel and aluminium from both Argentina and Brazil. On the data front, the Markit U.S. manufacturing PMI (final) edged higher to 52.6 during November (exp: 52.2) from 51.3 during October, however the print remains below the long-run average. Meanwhile the ISM U.S. manufacturing index fell to 48.1 during November (exp: 49.2) from 48.3 during October, marking the fourth consecutive print

underneath 50. The new orders index slumped to 47.2 (prev: 49.1) to register the lowest level since October 2009, while inventories fell to a 42-month low. Construction spending in the U.S. came in well below expectations during October, falling -0.8% MoM (exp: +0.4%) to follow a negatively revised -0.3% contraction the month prior (prev: +0.5%). The greenback was dragged lower on Monday (DXY -0.46%) as investors moved into the safe-haven yen (USD/JPY -0.48%), while the euro made gains in New York (EUR/USD +0.54%). Treasury yields finished mixed on Monday as the two-year retreated in New York to end flat toward 1.608%, while the 10-year ripped 5.7bps higher to 1.82%, marking the largest single session gain since November 7. Concerns over further tariffs between the U.S. and China saw European stocks markedly lower on Monday. The Europe stoxx 600 finished down -1.58% to 401.01 points as all sectors closed in negative territory, while the German Dax cratered -2.05% to 12,964.68 points and in London the FTSE 100 slumped -0.82% to 7,285.94 points.

PRECIOUS

A relatively stable session across the precious complex during Asian trade today, with gold holding onto the majority of Monday's gains to sit buoyantly above USD \$1,460. To add to the trade tensions between the U.S. and China, we saw headlines from the Global Times released around the Chinese open noting that China are considering visa restrictions against U.S. officials and lawmakers with 'odious performance' on Xinjiang issue. The comments pushed the yellow metal toward the session high of USD \$1,463.90, however a lack of follow through interest kept gains in check underneath Monday's USD \$1,465 high. Afternoon pricing saw bullion stagnant around USD \$1,462 as the on-shore premium in Shanghai held around USD \$4 but failed to entice interest. The metal continues to hold range bound heading into year-end, seemingly well supported around USD \$1,450, however lacking any meaningful demand to break top-side resistant through USD \$1,465 - \$1,470 and USD \$1,480 the key level above this. Silver was once again toppy toward the psychological USD \$17 figure on Monday and failed to garner the interest required for a re-test in Asia today, while similarly platinum oscillates either side of the psychological USD \$900 figure, however also fails to print a meaningful break. Palladium meanwhile remains firm amid tighter ranges than we have seen in recent times, extending to a fresh all-time high of USD \$1,860 on Monday, however seeing little flow-wise in Asia today.

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