



MKS PAMP
GROUP

Daily Asia Wrap - 6th November 2019



Range Asian Hours
(from Globex open)

	GOLD	SILVER	PLATINUM	PALLADIUM
OPEN	1483.70/90	17.57/59	928/30	1777/80
HIGH	1487.10/30	17.63/65	930/32	1780/83
LOW	1482.90/10	17.54/56	923/25	1766/69
LAST	1485.50/70	17.57/59	924/26	1774/77

MARKETS/MACRO

Positive U.S. – China trade headlines were offset by mixed corporate earnings and soft economic data to see stocks finish little changed on Tuesday. In a speech in Shanghai, China's President Xi Jinping reaffirmed his commitment to opening up the country's economy, buoying hopes that the ongoing trade spat with the U.S. may see friendlier relations going forward. The DJIA ended the session with a modest +0.11% gain to 27,492.63 points, soft trade across utilities (-1.03%) and real estate (-1.76%) saw the S&P 500 slide -0.12% to 3,074.62 points, while the Nasdaq Composite inched just +0.02% higher to 8,434.68 points. On the data front, the Markit U.S. Services PMI for October (final read) eased to 50.6 from a previous estimate of 51.0, down from 50.9 in September. The final read of the composite PMI was also revised lower, falling to 50.9 from a previous estimate of 51.2 and down on September's 51.0 to mark the slowest pace of expansion since February 2016. The ISM U.S. non-manufacturing index meanwhile improved from a three-year low of 52.6 during September, increasing to 54.7 in October (exp: 53.5). Currency majors continued to lose ground to the greenback on Tuesday (DXY +0.38%) as positive trade news saw participants move back into risk and out of

defensive assets. The safe-haven Japanese yen declined -0.54%, while the euro was down -0.50% and the pound pushed above 1.29, however finished the session flat. Treasury yields were firmer on Tuesday to see the 10-year jump 7.8bps to 1.865%, the highest level since September 13, while the two-year pushed 3.8bps higher to 1.633%.

PRECIOUS

The precious complex exhibited a mild bid tone during Asian hours today following Tuesday's weakness, benefiting from an offered skew to the greenback as bargain hunters picked up gold ahead of the 100 DMA at USD \$1,475.40. Fresh optimism over trade negotiations between the U.S. and China are supporting risk assets and weighing upon price action, largely evident in U.S. hours. The Asian time zone continues to see supportive interest, notably out of China, underpinning the metal above USD \$1,475 - \$1,480, with this level extremely important to near-term price direction. Gold pricing remains closely correlated with U.S. yields and the recent uptick in yields may see downwards pressure remain on bullion over the near-term. Much like gold, silver slipped underneath the major psychological support level of USD \$18 and tests toward support at USD \$17.50. Price action has remained constructive above the level during Asian hours today, however the metal has failed to make headway higher and sits toward the support. Platinum has tested toward USD \$920 during Asian trade today, moving underneath Tuesday's low, while palladium remains heavy underneath USD \$1,800, however is likely to test back toward the level as EFP moves further toward the left. Data today includes Markit services and composite PMI prints out of Italy, France, Germany and the Eurozone. We also see Eurozone retail sales and U.S. nonfarm productivity.

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