

Daily Asia Wrap - 7th December 2020

Range Asian Hours
(from Globex open)

	GOLD	SILVER	PLATINUM	PALLADIUM
OPEN	1838.80/30	24.23/25	1059/64	2353/68
HIGH	1842.30/80	24.24/26	1067/72	2371/86
LOW	1833.10/60	24.01/03	1031/36	2342/57
LAST	1840.40/90	24.12/14	1044/49	2354/69

MARKETS/MACRO

Stocks across the U.S. pushed higher on Friday, largely ignoring the softer jobs data and instead turning focus to the ongoing stimulus discussions. The Dow Jones Industrial Average gained +0.83% to 30,218.26 points, the S&P 500 added +0.88% to 3,699.12 points, while the Nasdaq Composite finished +0.70% higher at 12,464.23 points. Friday's gains saw each of the three major bourses print fresh all-time highs, while over the week the Dow Jones Industrial Average firmed +1%, the S&P 500 gained +1.5% and the Nasdaq Composite jumped +2%. On the data front we saw U.S. jobs data disappoint during November, increasing just 245k (exp: 460k) from a downwardly revised 610k the month prior (prev: 638k). The U.S. unemployment rate eased to 6.7% from 6.9% previously, while both the participation rate and the underemployment rate eased, printing 61.5% (prev: 61.7%) and 12% (prev: 12.1%) respectively. Durable goods orders in the U.S. increased +1.3% Mom during October, while capital goods orders (non-defense, ex-air) improved +0.8%. Stocks across Europe posted modest gains on Friday, however Brexit negotiations reportedly have paused to allow U.K. Prime Minister Johnston to hold talks with European Commission President von der Leyen on Saturday. The pan-European Stoxx 600 gained +0.59% to 394.04 points, the German Dax tacked on +0.35% to 13,298.96 points, while in London the FTSE 100 jumped +0.92% to 6,550.23 points.

PRECIOUS

A range-bound session for gold today, albeit with a modest bid bias to trade back toward USD \$1,840 in afternoon flows. The dollar saw mixed price action, paring early session declines, however remaining heavy underneath 91.00 on a DXY basis. Gold saw resting bids toward USD \$1,830 keep pricing buoyant and restrict any further declines, pivoting back through USD \$1,840 late in Asia and seeing little in the way of direction out of China as the on-shore discount held toward USD -\$20. The USD \$1,850 breakdown level turns into a near-term resistance, while ETF outflows continue to create top-side headwinds. We have however noticed cleaner positioning as shorts cover outstanding length above USD \$1,800, likely lessening drag on a further extension higher. Silver ETF flows diverged from gold late last week as inflows were recorded, however the metal does continue to see offers through USD \$24.40 - \$24.30 cap any extension higher. Early Asia saw heavy early price action across platinum as participants looked to take advantage of last weeks +10% surge higher. The metal tested USD \$1,040 pre-china before recovering back toward USD \$1,060 into the Shanghai open. A further wave of selling however pared these gains to see the metal once again test a break of the USD \$1,040 downside support. Data releases today include German industrial production and

U.S. consumer credit. All eyes however will be on Brexit headlines and U.S. stimulus headlines.

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