



MKS PAMP
GROUP

Daily Asia Wrap - 7th November 2019



Range Asian Hours
(from Globex open)

	GOLD	SILVER	PLATINUM	PALLADIUM
OPEN	1489.90/10	17.60/62	928/30	1793/96
HIGH	1491.90/10	17.65/67	930/32	1795/98
LOW	1489.70/90	17.59/61	927/29	1790/93
LAST	1491.50/70	17.63/65	930/32	1790/93

MARKETS/MACRO

Nonfarm productivity in the U.S. declined -0.3% during Q3 (exp: +0.9%) to follow a +2.5% increase previously, marking the first negative quarter for the measure since late 2015. Unit labor costs meanwhile outpaced expectations to increase +3.6% during Q3 (exp: +2.2%) from +2.4% previously as hours worked among self-employed firmed markedly. Stocks in the U.S. finished mixed on Wednesday as reports of a delay to the signing of a partial trade deal between the U.S. and China hit sentiment. The DJIA ended flat on the session at 27,492.56 points, while the S&P 500 inched +0.07% higher to 3,076.78 points and the Nasdaq Composite declined -0.29% to 8,410.629 points. In currency majors, the greenback consolidated recent gains to finish relatively unchanged on the session, easing against the yen (USD/JPY -0.18%), however firmer relative to the pound (GBP/USD -0.23%). Treasury yields trended lower, however held a relatively narrow range throughout the session. The two-year eased 2bps to 1.61% and the 10-year declined 3bps to 1.824%. Oil futures tracked lower on the back of higher than expected inventories in the U.S. and news that OPEC aren't considering further cuts to production. WTI finished the session -1.25% lower at USD \$56.50 per barrel, while

Brent crude sunk -1.85% to USD 61.70 per barrel. Markets in Europe finished firmer on Wednesday, buoyed by a rebound in German factory orders and a positive lead out of Asia. Factory orders improved +1.3% MoM during September (exp: +0.1%) to see the annualised print to -5.4% YoY (prev: -6.3%). The Stoxx Europe 600 ended +0.21% higher at 405.07 points, the German Dax added +0.24% higher at 13,179.89 points and in London the FTSE 100 gained +0.12% to 7,396.65 points.

PRECIOUS

A muted session across the precious complex during Asian trade today, as gold held a narrow range around USD \$1,490 and struggled to garner interest as regional equities crept sideways. The yellow metal moved away from the supportive band above the 100 DMA (USD \$1,475 - \$1,480) on Wednesday following the trade headlines, although struggled from a lack of follow through interest in Asia in one of the quietest sessions we have seen in quite some time. The metal sits right in the middle of the aforementioned support and the psychological price pivot of USD \$1,500, remaining sensitive to trade headlines and tracking yields. Silver recovered from a brief test underneath USD \$17.50 on Wednesday to remain buoyant around USD \$17.60 during Asian hours today, while platinum and palladium remained range-bound. After moving underneath 7.00 on Tuesday, USD/CNH recovered back above the figure in New York yesterday and has held during Asian trade today following a USD/CNY fix at 7.0008. The euro came under pressure during early afternoon trade to test 1.1050, while the yen saw interest as USD/JPY held underneath 109.00. Data today includes German industrial production, EU commission economic forecasts, the BOE decision, U.S. initial jobless claims, and Bloomberg U.S. consumer confidence.

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