



MKS PAMP  
GROUP

## Daily Asia Wrap - 8th November 2019



Range Asian Hours  
(from Globex open)

	GOLD	SILVER	PLATINUM	PALLADIUM
OPEN	1467.90/10	17.09/11	908/10	1798/01
HIGH	1469.80/00	17.10/12	910/12	1801/04
LOW	1465.70/90	16.95/97	902/04	1792/95
LAST	1469.30/50	17.02/04	905/07	1790/93

### MARKETS/MACRO

Stocks in the U.S. ripped to fresh record highs on Thursday as optimism over a trade deal between the U.S. and China grows. Reports that the two parties have agreed to roll back tariffs as part of a 'phase one' deal saw the DJIA jump +0.66% to a fresh record at 27,674.80 points, while gains across financials (+0.67%) and technology (+0.67%) saw the S&P +0.27% higher to a fresh record of 3,085.18 points. Both bourses tempered gains late in trade as reports emerged of "fierce internal opposition" within the white House regarding the tariff rollback. The greenback firmed on the back of the trade optimism (DXY +0.18%), largely gaining relative to the Japanese yen (USD/JPY +0.33%), while both the euro (EUR/USD -0.15%) and the pound (GBP/USD -0.33%) traded lower. Treasury yields turned higher to see the two-year firm 7bps to 1.675%, while the 10-year jumped 11bps to 1.91% to mark one of the biggest single-session gains since 2016. On the data front, initial jobless claims declined 8,000 to 211,000 during the week ended November 2 (exp: 215,000), taking the four-week moving average 250 higher to 215,250. The Bloomberg measure of consumer comfort sunk to the lowest level since March during the week ended November 3, falling 1.9 points to 59.1.

Leading the headline figure lower were falls to the personal finance gauge (lowest level since January) and views on the economy (lowest level since February). In the U.K. the Bank of England voted to keep rates on hold, however saw the first split vote since June 2018 as two members of the monetary policy committee dissented. Trade optimism buoyed European markets on Thursday, seeing the Stoxx Europe 600 +0.37% higher to 406.56 points, while the German Dax jumped +0.83% to 13,289.46 points and in London the FTSE 100 added +0.13% to 7,406.41 points.

## **PRECIOUS**

Gold remained under pressure during Asian hours today following the break through the USD \$1,475 - \$1,480 supportive band in New York on Thursday. A mix of momentum players and long liquidation dragged the metal to a USD \$1,461.20 low in New York as trade optimism saw investors flock back into risk. Interest today was generally supportive, however failed to test back toward the breakout level of USD \$1,475 as regional equity markets diverged and the greenback was little changed. ETF's remain sticky for the time being and expect this to remain so above USD \$1,450, while CFTC positioning should remain relatively firm around USD \$1,400, toward the 200 DMA at USD \$1,390. We have seen positive trade headlines in the past amount to nothing, therefore expect bullion to remain supportive in leu of further 'phase one' deal details, testing back toward the breakdown pivot area of USD \$1,475 - \$1,480. Silver has so far traded relatively well around USD \$17.00 and should remain supported toward USD \$16.90 - \$16.85, while platinum holds the USD \$900 figure and palladium interest shows no sign of abating. Data today includes U.S. wholesale inventories and the University of Michigan consumer sentiment

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