



MKS PAMP
GROUP

Daily Asia Wrap - 9th November 2020



Range Asian Hours
(from Globex open)

	GOLD	SILVER	PLATINUM	PALLADIUM
OPEN	1951.50/00	25.65/68	897/00	2489/04
HIGH	1965.25/75	25.99/02	905/08	2492/07
LOW	1951.50/00	25.64/67	897/00	2445/60
LAST	1961.30/80	25.72/75	901/04	2445/60

MARKETS/MACRO

A muted session across stocks in the U.S. on Friday as investors awaited the outcome of the U.S. Presidential election. The Dow Jones Industrial Average ended -0.24% lower to 28,323.40 points, the S&P 500 eased -0.03% to 3,509.44 points, while the Nasdaq Composite inched +0.04% higher to 11,895.23 points. Energy and financial stocks weighed upon the broad S&P 500, declining -2.1% and 0.8% respectively. The dollar remained under pressure on Friday after opening firmly, seeing the DXY index -0.3% lower on the session as the Euro tested toward 1.19 (EUR/USD +0.4%), while the Japanese Yen firmed +0.15% as USD/JPY broke down toward the 103.00 figure. Treasury yields pushed higher as the curve steepened, with the two-year adding 0.5bps to 0.152%, while the 10-year jumped 5bps to 0.818%. On the data front, U.S. nonfarm payrolls increased 638k during October (exp: 580k) from 672k previously, while the unemployment plunged to 6.9% from 7.9% previously. Importantly the labor force participation rate ticked up +0.3% to 61.7% and average hourly earnings improved +0.1% MoM (prev: flat), although on an annualised basis eased to +4.5% (prev: +4.6%). Stocks

across Europe finished mixed as the German Dax (-0.70%) led declines, while the pan-European Stoxx 600 eased -0.20% and in London the FTSE 100 inched +0.06% higher.

PRECIOUS

The precious complex opened the week on a positive note in Asian trade today, buoyed by the announcement of Joe Biden as U.S. President Elect and further dollar declines. Gold opened above the USD \$1,950 pivot as the greenback moved sharply lower, seeing gold toward USD \$1,960 pre-China, however offers toward the figure capped further early session gains. The Shanghai discount opened around USD -\$25 and provided an underlying level of support across the spot market to see bullion base around opening levels and resume its uptrend throughout the afternoon. Stops through USD \$1,960 propelled the yellow metal to a USD \$1,965.25 session high, notably in conjunction with a modestly firmer dollar, particularly relative to the Yen. Focus over the near term remains election developments in the U.S., however the chances of a risk shock remain low and the environment should continue to support a bid-tone across the precious complex. Key down-side support sits through USD \$1,940 - \$1,935, while USD \$1,970 - \$1,975 looms as the initial resistance level on a potential move back toward USD \$2,000.

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