



MKS PAMP
GROUP

Daily Asia Wrap - 16th November 2020



Range Asian Hours
(from Globex open)

	GOLD	SILVER	PLATINUM	PALLADIUM
OPEN	1887.50/00	24.64/67	893/96	2329/44
HIGH	1899.15/65	25.03/06	903/06	2348/63
LOW	1887.40/90	24.63/66	893/96	2329/44
LAST	1892.30/80	24.92/95	900/03	2348/63

MARKETS/MACRO

Investors largely ignored skyrocketing Coronavirus cases in the U.S. to drive stocks higher on Friday, with focus instead on the developing vaccine story from Pfizer and BioNTech and expected fresh stimulus measures. The Dow Jones Industrial Average ended the session +1.37% higher at 29,479.81 points, the S&P 500 gained +1.36% to 3,585.15 points, while the tech-laden Nasdaq Composite added +1.02% to 11,829.29 points. The greenback resumed its decline on Friday (DXY -0.25%), largely weaker relative to the Euro (EUR/USD +0.25%) as the common currency consolidated above 1.1800, while the safe-haven Japanese Yen finished +0.5% higher as USD/JPY broke below 105.00 (104.56 session low). Treasury yields finished higher in choppy trade as risk-on sentiment prevailed. The two-year tacked on 0.3bps to 0.179%, while the 10-year added 1.5bps to 0.897%. On the data front, U.S. PPI for October increased for a sixth consecutive month, adding +0.3% MoM, while core PPI (ex food, energy and trade) firmed +0.2% MoM. On an annualised basis PPI gained +0.5% YoY from a +0.4% read during September, while the core measure gained +0.8% YoY from +0.7% the month

prior. The University of Michigan's gauge of consumer sentiment in the U.S. for November sunk to 77.0 (preliminary) from 81.8 in October. The headline print was weighed down by a sharp fall to expectations, cratering to 71.3 from 79.2 previously. In Brexit news, November 18th has been slated as a soft deadline for negotiations to be finalised, however it looks increasingly likely both parties will continue discussions at least until the end of November. Stocks in Europe finished mixed as the pan-European Stoxx 600 inched just +0.01% higher to 385.18 points, the German Dax tacked on +0.18% to 13076.72 points, while in London the FTSE 100 eased -0.36% to 6,316.39 points as the British Pound jumped +0.64%.

PRECIOUS

The precious complex opened on a positive note in Asia today, benefiting from an offered greenback to push higher initially on the open, with gains extending during Shanghai hours as USD/Yuan put further downwards pressure on the dollar. The yellow metal made light work of Friday's New York high print, extending to a USD \$1,899.15 session high as offers at the psychological USD \$1,900 figure capped the rally. Their remains good interest across the market as participants consider the increasing coronavirus cases in the U.S. and vaccine headlines, however with that being said, we have seen some outflows from ETF's in recent days following the rally from the test toward USD \$1,850. The USD \$1,900 pivot is in play, with resistance cutting in toward USD \$1,920 and hard support at USD \$1,850. Silver booked a positive session today to test briefly through USD \$25, however a lack of follow through interest saw the metal back underneath the figure in late afternoon trade. Support for the metal sits toward USD \$24.50 - \$24.40, while resistance sits through USD \$25.50. Much like gold and silver, platinum attempted a move through a psychological figure today, briefly pushing above USD \$900 and holding around the level at the time of writing. Data releases today included Chinese industrial production holding at +6.9% YoY and Chinese retail sales improving +4.3% YoY (prev: +3.3%). Later we see the U.S. Empire manufacturing print.

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