



MKS PAMP
GROUP

Daily Asia Wrap - 19th October 2020



Range Asian Hours
(from Globex open)

	GOLD	SILVER	PLATINUM	PALLADIUM
OPEN	1900.30/80	24.18/21	863/66	2335/60
HIGH	1905.30/80	24.29/32	868/71	2350/75
LOW	1896.80/30	24.12/15	863/66	2335/60
LAST	1905.30/80	24.25/28	868/71	2350/75

MARKETS/MACRO

A mixed session across stocks in the U.S. on Friday as participants considered an upbeat retail sales print, while stimulus discussions remain at an impasse. The Dow Jones Industrial Average added +0.39% to 28,606.31 points, the S&P 500 inched +0.01% higher to 3,483.81 points, while the tech-laden Nasdaq Composite declined -0.36% to 11,671.56 points. The greenback benefited from the stronger retail sales print in New York on Friday, paring early session declines to finish flat on the session. The Euro inched +0.07% higher to hold the 1.17 handle against the dollar, while the safe-haven Japanese Yen finished flat. Treasury yields jumped on the positive U.S. data, seeing the two-year 0.8bps higher to 0.145%, while the 10-year jumped 1.5bps to 0.747%. On the data front, retail sales in the U.S. outpaced expectations during September, increasing +1.9% MoM (exp: +0.8%) from +0.6% the month prior. Auto sales remained firm to increase +3.6%, while retail sales excluding autos and gas were strong at +1.5% (exp: +0.5%) from +0.5% previously. U.S. industrial production unexpectedly declined during September, falling -0.6% MoM (exp: +0.5%) from a +0.4% increase during August. The fall was the first in

five months and was led by a -5.6% collapse to utilities, while the output of motor vehicles and parts sunk -4%. Consumer sentiment in the U.S. firmed during October according to the University of Michigan preliminary read, increasing to 81.2 (exp: 80.5) from 80.4 during September. The headline figure was underpinned by a strong expectations print, increasing to 78.8 from 75.6 previously, while the current conditions index eased to 84.9 from 87.8 in September.

PRECIOUS

Gold remained pinned to the USD \$1,900 handle during Asian trade today, with weekend stimulus talk headlines failing to garner interest in the metal. While generally well supported above USD \$1,900, the metal declined underneath the figure in early Chinese trade as USD/Yuan saw a sharp, albeit brief move lower. The yellow metal pivoted back above the psychological USD \$1,900 figure post-Yuan fix and remained so throughout the session, printing a high of USD \$1,905.30 as European names filtered in. While unable to break-out of the current USD \$1,880 - \$1,920 range, bullion continues to see supportive price action as daily Covid19 cases, notably across Europe and the U.S. continue to see sharp increases, while Biden's tightening grasp on the U.S. Presidential election remains constructive for the metal. Notably we have however seen ETF redemptions in recent sessions as we head into the Presidential election, possibly creating some near-term headwinds. All eyes on U.S. stimulus developments this week in the lead up to the last U.S. presidential debate later in the week, while today we see U.S. NAHB housing data and Federal Reserve Vice Chair Richard H. Clarida speaking on the 'U.S. Economic Outlook and Monetary Policy' virtually at the American Bankers Association Convention.

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