



MKS PAMP  
GROUP

## Daily Asia Wrap - 1st November 2019



Range Asian Hours  
(from Globex open)

	GOLD	SILVER	PLATINUM	PALLADIUM
OPEN	1512.30/50	18.10/12	932/34	1797/00
HIGH	1513.50/70	18.11/13	933/35	1799/02
LOW	1509.90/10	18.04/06	929/31	1793/96
LAST	1510.50/70	18.05/07	930/32	1798/01

### MARKETS/MACRO

A move into fixed income saw both the greenback and stocks under pressure on Thursday, while fresh trade concerns added further downwards pressure. Riling markets in New York were Bloomberg headlines regarding China casting doubt about reaching a comprehensive long-term trade deal with the U.S. The DJIA finished the session down -0.52% to 27,046.23 points, heavy trade across industrials (-1.14%) and financials (-0.55%) saw the S&P 500 off -0.30% to 3,037.56 points, while the Nasdaq Composite eased -0.14% to 8,292.359. The greenback traded with an offered bias throughout Thursday's session (DXY -0.13%) in a continuation of the post-FOMC weakness. The safe-haven yen benefited to add +0.74%, while the pound firmed +0.33% and the Australian dollar ended flat after pushing above 0.69 in Asia (0.6928 high). Treasury yields turned lower as participants moved toward safety, seeing the two-year down 9bps to 1.515% and the 10-year off 8bps to 1.689%. On the data front, U.S. personal income printed in-line with estimates at +0.3% MoM during September, while personal spending matched a revised August figure at +0.2% MoM and core PCE was unmoved during September (exp: +0.1%). Initial jobless claims in the U.S. increased by 5,000 to 218,000 (exp: 215,000) during the week ended October 26, seeing the four-week moving

average ease 500 to 214,750. The Chicago area PMI printed softer than expected during October, sliding to 43.2 (exp: 48.0) from 47.1 previously. Bloomberg consumer confidence sunk to 61.0 during the week ended October 27 to mark the largest weekly decline in more than 8 years. Stocks across Europe finished in negative territory on Thursday as concerns over trade between the U.S. and China resurfaced. In London the FTSE 100 led declines to book a -1.12% fall, while the Europe Stoxx 600 ended down -0.49% to 396.75 points and the German Dax settled -0.34% lower at 12,866.79 points.

## **PRECIOUS**

The precious complex skewed lower during Asian trade today, failing to benefit from an offered dollar although still remaining buoyant above key price pivots. Price action for gold saw a sharp move higher on the Shanghai open to print the session high of USD \$1,513.50, however it was generally one-way traffic from that point as the metal moved underneath USD \$1,510 in afternoon trade. The on-shore premium in Shanghai eased back toward USD \$5 from USD \$6 in recent sessions, while we did see a modest uptick in physical demand, albeit at suppressed premiums. While still above USD \$1,500, it's hard to build a case for a sustained bullish recovery currently as the metal remains sensitive to headlines. With regards to supportive interest, the 50 DMA cuts in toward USD \$1,504.30 and expect support to extend toward the near-term price pivot at USD \$1,500. Resistance levels sit toward USD \$1,520 - \$1,525, with extension toward hard resistance at USD \$1,535. Silver remains pegged around USD \$18 and has thus far failed to consolidate above the figure, while platinum remains buoyant above USD \$920 and palladium tightness continues to see the metal attempt to consolidate above USD \$1,800. All eyes today on the payrolls print out of the U.S., while we also see Markit U.S. manufacturing PMI, ISM U.S. manufacturing PMI and U.S. construction spending.

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