



MKS PAMP  
GROUP

## Daily Asia Wrap - 20th November 2019



Range Asian Hours  
(from Globex open)

	GOLD	SILVER	PLATINUM	PALLADIUM
OPEN	1475.10/30	17.16/18	911/13	1764/67
HIGH	1476.40/60	17.19/21	911/13	1764/67
LOW	1472.00/20	17.11/13	906/08	1757/60
LAST	1475.00/20	17.12/14	909/11	1761/64

### MARKETS/MACRO

Lingering trade concerns weighed upon sentiment on Tuesday as the major bourses ended the session mixed. The DJIA pulled back underneath 28,000 points, sliding -0.36% to 27,934.02 points, the S&P 500 eased just -0.06% to 3,120.18 points, while the Nasdaq Composite bucked the trend to end +0.24% higher at a fresh all-time closing record of 8,570.66 points. U.S. housing starts rebounded during October, jumping +3.8% to an annual rate of 1.314 million (exp: 1.32 million). The headline figure was supported by the fifth consecutive monthly increase to single-family construction, gaining +2.0% to a rate of 936,000 units, the highest level in nine months. Building permits meanwhile surged +5.0% to an annual rate of 1.461 million, marking the highest level since May 2007. In currency majors, the greenback remained range-bound on Tuesday (DXY +0.03%), although the heightened trade tensions saw the safe-haven yen firm (USD/JPY -0.14%). Treasury yields finished little changed as the two-year held around 1.60% and the 10-year eased 2bps to 1.79%. European stocks finished mixed on Tuesday on the back of the heightened trade tensions. The Stoxx Europe 600 finished -12% down at

405.50 points after reversing early session gains, the German Dax edged +0.11% higher to 13,221.12 points, while in London the FTSE 100 finished +0.22% higher at 7,323.80 points.

#### **PRECIOUS**

Early session headlines that the U.S. Senate had passed a bill aimed at supporting Hong Kong protests gave gold a boost during Asian trade today, stretching price action toward USD \$1,475 leading into the Tokyo open. The U.S. Senate unanimously voted to pass the legislation aimed at protecting human rights in Hong Kong, an action that is likely to draw the ire of Beijing and potentially create headwinds to the ongoing trade negotiations. The legislation will now head to the House of Representatives before it moves to the President for consideration. The Chinese Foreign Ministry wasted little time in responding: "The U.S. should immediately stop interfering in Hong Kong affairs and China's other internal affairs, or the negative consequences will boomerang on itself..." Once again, a lack of follow through interest restricted a sustained move through USD \$1,475 as the USD \$1,475 - \$1,480 resistance band remains formidable. Demand out of Shanghai remained restrained, however we did see a modest uptick in the on-shore premium toward USD \$3.50 in the afternoon as spot gold once again made a move above USD \$1,475. Silver has held the USD \$17 figure in recent sessions and pushed toward USD \$17.20 in afternoon trade today. The gold/silver ratio has eased toward 86.00 over the past 48 hours and now sits comfortably underneath both the 100 DMA (86.12) and 200 DMA (86.52), indicating the grey metal may outperform over the near-term. Platinum has pivoted above the USD \$900 handle and remains firm, while palladium tightness remains the driver to higher prices as the metal targets USD \$1,800 once again.

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