



MKS PAMP  
GROUP

## Daily Asia Wrap - 25th November 2019



Range Asian Hours  
(from Globex open)

	GOLD	SILVER	PLATINUM	PALLADIUM
OPEN	1460.90/10	16.93/95	889/91	1777/80
HIGH	1462.10/30	16.96/98	897/99	1788/91
LOW	1457.75/95	16.89/91	889/91	1777/80
LAST	1458.20/40	16.91/93	895/97	1788/91

### MARKETS/MACRO

Stocks in the U.S. pushed higher on Friday as sentiment was buoyed by positive trade comments from both President Trump and President Xi. The DJIA ended the session +0.39% higher at 27,875.62 points, gains across financials (+0.76%) and consumer stocks (+0.65%) lifted the S&P 500 +0.22% higher to 3,110.29 points, while the Nasdaq Composite firmed +0.16% to 8,519.885 points. On the week the DJIA sunk -0.5% to snap a four-week winning streak, while the S&P 500 declined -0.3% following six consecutive weekly wins and the Nasdaq Composite ended a seven-week advance to retreat -0.3%. The greenback found favour on Friday (DXY +0.36%), holding little changed against the safe-haven yen, while firming relative to the euro (EUR/USD +0.35%) and the pound (GBP/USD -0.62%) as the pair moved underneath 1.29. Treasury yields ended flat on the session as the 10-year held around 1.77%. On the data front, the preliminary read of the Markit U.S. PMI figures indicated they rebounded by more than expected. U.S. Manufacturing PMI rose to 52.2 in November (exp: 51.4), a seven-month high, from 51.3 in October. This is the third successive rise in the index and suggests that the slowdown

in the US manufacturing sector may be bottoming out. Meanwhile, the composite and services PMI data also advanced, rising to 51.9 and 51.6 respectively. The University of Michigan gauge of consumer sentiment (final) firmed to 96.8 November, largely underpinned by an increase in the expectations sub-index to 87.3 from 84.2 in October. The preliminary read of the Markit euro area and German PMI figures depicted an economy running below trend. While manufacturing stabilised, with the euro area PMI rising to 46.6 (exp: 46.4) from 45.9 in October, the index remains well below the 50 threshold with indications that the slump in manufacturing is filtering into the services sector. Germany's services index hit a new low for the current downturn and fell to 51.3 (from 51.6 in October), whilst the euro area services index fell to 50.3 (from 50.6). Stocks across Europe posted wins on Friday as positive trade news gave confidence a boost. The Stoxx Europe 600 finished the session +0.44% higher at 403.98 points, the German Dax finished +0.20% higher at 13,163.88 points, while in London the FTSE 100 rallied +1.22% on the back of a softer pound.

#### **PRECIOUS**

Positive trade headlines put downwards pressure on the precious complex during Asian trade today, driving gold underneath USD \$1,460 in afternoon pricing. The yellow metal opened the week on the back foot, spending the majority of the morning testing USD \$1,460 as both Japan and China provided little in the way of supportive interest. The on-shore premium in Shanghai remained suppressed toward USD \$3 to weigh upon spot pricing, while afternoon headlines from the Global Times noting that China and the U.S. are very close to a phase one deal saw bullion touch a USD \$1,457.75 low. The recent failure to break above USD \$1,480 has seen fast-money position short, while ETF flows have been mixed as equities came under pressure last week. Renewed optimism over U.S. – China trade negotiations are likely to weigh upon bullion over the near-term, with the supportive band through USD \$1,450 - \$1,445 likely to come into play once more. Silver turned sharply lower on the open in Asia to quickly lose touch with the USD \$17 handle. The SGE premium remains heavy and while spot holds underneath USD \$17 expect to see headwinds remain. Platinum staged a modest recovery today and the 100 DMA at USD \$892 thus far has provided support, while palladium firms back toward USD \$1,800 and has seen interest throughout the session.

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