



MKS PAMP
GROUP

Daily Asia Wrap - 28th October 2020



Range Asian Hours
(from Globex open)

	GOLD	SILVER	PLATINUM	PALLADIUM
OPEN	1907.00/50	24.36/39	882/85	2335/55
HIGH	1908.50/00	24.40/43	888/91	2344/64
LOW	1902.50/00	24.25/28	877/80	2330/50
LAST	1908.30/80	24.38/41	886/89	2342/62

MARKETS/MACRO

A mixed session across stocks in the U.S. on Tuesday, as investors considered increasing cases of Covid-19 against a number of earnings reports. The Dow Jones Industrial Average finished the session -0.80% lower at 27,463.19 points, the S&P 500 declined -0.30% to 3,390.68 points, while the tech-laden Nasdaq Composite outpaced to finish +0.64% higher at 11,431.352 points. The chances of fresh U.S. stimulus before the U.S. election took a further hit on Tuesday as the U.S. senate confirmed Amy Coney Barrett's nomination to the U.S. Supreme Court and then took leave ahead of the election. Whether or not a package can be agreed during the 'lame duck' period between the election and January's inauguration remains uncertain. On the data front, U.S. durable goods orders outpaced expectations to increase +1.9% MoM during September (exp: +0.5%), the fifth consecutive monthly increase for the measure. Excluding the volatile transportation index, goods increased +0.8% (exp: +0.4), while capital goods orders (non-def, ex-air) improved +1.0% (exp: +0.5%). The conference board's measure of U.S. consumer confidence declined to 100.9 during October (exp: 102.00) from 101.3

previously. The headline figure was weighed down by a weaker expectations print, falling to 98.4 from 102.9 previously. In currency majors, the greenback saw whipsaw price action, however finished the session largely unchanged as the DXY index finished above 93. Treasury yields meanwhile finished softer across the curve as the two-year eased to 0.147%, while the 10-year decline 3.5bps to 0.767%.

PRECIOUS

A familiar story across the precious complex in Asia today as metals held an ever-narrowing range. Declines across bullion were generally limited to pre-China trade, testing the USD \$1,900 support level, however seeing limited down-side as participants looked to buy on dips. The on-shore discount remained in excess of USD -\$30 in Shanghai, while USD/Yuan did little to entice interest, rather tracking sideways throughout the session. Focus remains on U.S. equity flows, while the greenback forms a narrowing wedge as the DXY index tracks either-side of 93. ETF demand across gold has been buoyant in recent sessions to underpin pricing above the psychological USD \$1,900 support, and while we expect to see volatile pricing around the U.S. election, downside moves should remain shallow, with hard support through USD \$1,850 - \$1,840 the key for near-term pricing. Silver continues to consolidate above USD \$24 and remains pinned to the March low uptrend, looking to pivot back above USD \$24.50. Data today includes U.S. MBA mortgage applications, U.S. wholesale inventories and the Bank of Canada rates decision.

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