

**(1) FX Market News**

**Yuan hit a one-week high before the U.S. non-farm payrolls announcement, and the market is also looking forward to China's important economic meeting.**

The spot yuan against the U.S. dollar closed slightly higher on Friday and hit a new one-week high; the mid-point rate rose to a new high in nearly four weeks, and the deviation from the forecast narrowed to about 550 points. Although external pressure has eased, supervision has not relaxed the filtering of unilateral expectations. Traders said that before the release of U.S. non-agricultural data, the market had a strong wait-and-see atmosphere, and yuan fluctuated following the U.S. index. They also pointed out that China is about to hold the Central Economic Work Conference, and the market is looking forward to more stimulus policies. However, external uncertainties are still large, and it is still difficult for yuan to rebound; the market will look for more clues from the US data for subsequent interest rate cuts by the Federal Reserve. But the potential inflationary impact of Trump's policies will still limit the dollar's room for adjustment.

**The political turmoil comes amid jitters in currency markets, awaiting the U.S. jobs report.**

Major currencies continued to trade choppy on Friday as markets awaited U.S. jobs data and weighed the impact of a volatile political week that included the collapse of the French government and the brief imposition of martial law in South Korea. The focus will be the U.S. non-farm payrolls report in November, where investors will speculate on the pace of future interest rate cuts by the Federal Reserve. A Reuters survey shows that U.S. non-farm payrolls are expected to increase by 200,000 jobs in November, compared with an increase of only 12,000 jobs in October, the lowest since December 2020. The unemployment rate is expected to rise to 4.2%. According to the CME Group FedWatch tool, the market currently believes that the probability of the Federal Reserve cutting interest rates by 25 basis points at the December 17-18 meeting is about 72%, which is higher than 66.5% a week ago. The U.S. dollar index rose 0.10% to 105.82. It fell toward a three-week low in the previous session.

**Gold prices will fall for a second consecutive week, with attention on U.S. non-farm payrolls data.**

Gold prices were higher on Friday, but were set for a second straight weekly loss as market focus turned to U.S. non-farm payrolls data due later in the day for clues on the trajectory of U.S. interest rate cuts. Gold prices are down about 0.5% so far this week, having hit their lowest since Nov. 26 earlier in the session. But on an annual basis, gold has hit record highs multiple times this year, rising more than 27% so far, amid the Federal Reserve's easing of interest rates and escalating geopolitical tensions. Spot gold rose 0.2% to \$2,638.45 an ounce ahead of Friday's employment data. U.S. gold futures rose 0.5% to \$2,660.50.

**(2) Major Stock Indexes, PBOC fixing and XAU**

	Last	Change	%Change
Hang Seng Index	19,865.85	305.45	1.56%
Dow Jones Index	44,642.52	-123.18	-0.28%
Nasdaq	19,859.77	159.07	0.81%
S & P 500 Index	6,090.27	15.16	0.25%
FTSE100	8,308.61	-40.77	-0.49%
DAX	20,384.61	25.81	0.13%
CAC40	7,426.88	96.34	1.31%

Date	PBOC Fixing
6-Dec	7.1848
5-Dec	7.1879
4-Dec	7.1934
Date(close)	XAU
6-Dec	2632.92
Date(close)	USD Index
8-Dec	105.95

Source: Refinitiv

### (3) Major Currencies Range

Currencies	Market Price	6-Dec		
		High	Low	US Close
EUR/USD	1.0560	1.0623/31	1.0541/49	1.0545/53
EUR consolidates and turns sideways with downside bias. A break of 1.0520/25 would signal another downside test towards 1.0480/85. A break above 1.0610/15 would signal correction towards 1.0650/55.				
USD/JPY	149.80	150.63/71	149.32/40	149.98/06
USD consolidates and turns sideways with downside bias. A break of 149.30/35 would signal another downside test towards 148.80/85. A break above 150.60/65 would signal correction towards 151.10/15.				
GBP/USD	1.2740	1.2805/13	1.2716/24	1.2720/28
GBP consolidates and turns sideways with downside bias. A break of 1.2700/5 would signal another downside test towards 1.2660/65. A break above 1.2780/85 would signal correction towards 1.2820/25.				
USD/CHF	0.8790	0.8790/98	0.8732/40	0.8785/93
USD consolidates and turns sideways with downside bias. A break of 0.8740/45 would signal another downside test towards 0.8700/5. A break above 0.8850/55 would signal correction towards 0.8890/95.				
AUD/USD	0.6390	0.6445/53	0.6370/78	0.6375/83
AUD falls and a break below 0.6340/45 would signal another downside test towards 0.6300/5. A break above 0.6460/65 would signal correction towards 0.6500/5.				
NZD/USD	0.5820	0.5878/86	0.5820/28	0.5824/32
NZD consolidates and turns sideways with downside bias. A break of 0.5750/55 would signal another downside test towards 0.5710/15. A break above 0.5880/85 would signal correction towards 0.5920/25.				
USD/CAD	1.4150	1.4152/60	1.4015/23	1.4150/58
USD rises and a break above 1.4190/95 would signal another upside test towards 1.4230/35. A break below 1.4090/95 would signal correction towards 1.4050/55.				
USD/CNH	7.2790	7.2846/56	7.2546/56	7.2840/50
USD consolidates and turns sideways with upside bias. A break of 7.2900/5 would signal another upside test towards 7.3000/5. A break below 7.2600/5 would signal correction towards 7.2500/5.				

### (4) Economic Data

HK Time	Country	Economic Indicator	Period	Month	Forecast	Prior
7:50	JP	Current account	(Y/Y)	(Oct)	2,318B	1,717B
9:30	CN	PPI	(Y/Y)	(Nov)	-2.8%	-2.9%
9:30	CN	CPI	(Y/Y)	(Nov)	0.5%	0.3%

Source: Refinitiv

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