



MKS PAMP  
GROUP

## Daily Asia Wrap - 10th March 2020



Range Asian Hours  
(from Globex open)

	GOLD	SILVER	PLATINUM	PALLADIUM
OPEN	1677.20/40	17.02/04	865/67	2490/20
HIGH	1680.00/20	17.11/13	885/87	2530/60
LOW	1649.90/10	16.82/84	864/66	2490/20
LAST	1662.30/50	17.09/11	880/82	2510/30

### MARKETS/MACRO

Stocks in the U.S. cratered on Monday as a combination of OPEC driven oil declines and growing fears over the economic impacts of the coronavirus saw investors rush for the exits. The S&P ripped lower on the open to trigger the NYSE circuit breaker after the bourse sunk 7%. The bourse finished the session down -7.60% to 2,746.56 points, the DJIA collapsed -7.79% to 23,851.02 points, while the Nasdaq Composite fell -7.29% to 7,950.676 points. Each of the bourses registered their largest single session declines since the 2008 financial crisis. Declines were led by energy stocks (-20.08%) and financial stocks (-10.91%) as all sectors of the S&P 500 finished lower, while all but 9 companies within the S&P 500 finished in the red. Instigating the declines were oil futures, collapsing -27% as Saudi Arabia and Russia butted heads over price supportive production cuts, instead threatening to increase production. WTI fell -27.12% to around USD \$30 per barrel, while Brent crude cratered -27.45% to USD \$33.45 per barrel. In currency majors, the greenback traded offered against majors to book a -1.1% fall. The Japanese Yen benefited from safe-haven flows to add over 3%, with USD/JPY touching

101.20 low and marking the lowest level since late 2016. The Euro moved through 1.14 to end +1.45% higher, while the British pound added +0.60% to test 1.32 before easing late in trade. Treasury yields continued to free-fall as the 10-year touched an all-time low of 0.3137%, while the 30-year fell underneath 0.90% to take the entire U.S. yield curve below 1% for the first time on record.

#### **PRECIOUS**

Price action during Asian trade today was skewed lower as bullion pulled away from USD \$1,680 to test the previous supportive level around USD \$1,660. Early session illiquid trade saw the metal to USD \$1,662 leading into the Chinese open, while the on-shore premium in China sunk toward USD -\$10 relative to London spot, providing little in the way of support to the broader market. The yellow metal battled strong regional equities throughout the afternoon and headlines that Xi Jinping was visiting the Wuhan area, with the potential for some travel restrictions to be lifted in the region. The news saw gold underneath USD \$1,660 on a stop loss run through the figure, testing toward USD \$1,650 before finding supportive interest to restrict further gains. Gold vols have pulled back marginally from yesterday to see 1m toward 22 after touching above 25 briefly yesterday, while ETF's after seeing some initial selling yesterday continue to accumulate the metal. Resistance remains layered through USD \$1,680 - \$1,690 and while over medium-term should be tested as positioning thins out, we may still see further liquidation toward down-side supports over the near-term, especially should equities continue to recover from recent declines.

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