

Daily Asia Wrap - 12th May 2021

Range Asian Hours
(from Globex open)

	GOLD	SILVER	PLATINUM	PALLADIUM
OPEN	1836.70/00	27.62/65	1240/43	2930/40
HIGH	1837.10/40	27.63/66	1242/45	2954/64
LOW	1826.20/50	27.29/32	1228/31	2930/40
LAST	1830.90/20	27.39/42	1232/35	2954/64

MARKETS/MACRO

Heavy trade across stock in the U.S. on Tuesday as participants eye rising inflation expectations. The Dow Jones Industrial Average sunk -1.36% to finish at 34,269.16 points, the S&P 500 declined -0.87% to 4,152.10 points, while the Nasdaq Composite eased just -0.09% to finish at 13,389.43 points. The greenback traded mixed on Tuesday, ultimately ending the session modestly lower as the DXY index (-0.13%) tested below the 90.00 handle in early New York trade. The Euro added +0.16% and spent the session largely pinned around the 1.2150 figure, while the Japanese Yen added +0.21% as USD/JPY lost touch with 109.00 to print a 108.35 session low. Treasury yields ticked higher as the curve steepened. The two-year added 0.6bps to 0.1588%, the 10-year gained 2.3bps to 1.623% and the 30-year gained 2.5bps to 2.348%. On the data front, JOLTS job data from March showed a record high of 8.1 million openings as leisure and hospitality demand strengthened, while the quits rate also saw an increase. Small business optimism in the U.S. improved to 99.8 (prev: 98.2) according to the latest NFIB survey results for April, however was down on expectations centered around 100.8. In Europe, German ZEW survey results saw the expectations component surge to a 20-year high of 84.4 (prev: 70.7), while the current situations measure improved to -40.1 from -48.8 previously. Stocks across Europe posted heavy falls on the back of inflation fears, seeing the pan-European Stoxx 600 slump -1.97% to 436.61 points, the German Dax fell -1.82% to 15,119.75 points, while in London the FTSE 100 sunk -2.47% to 6,947.99 points.

PRECIOUS

A firmer dollar weighed upon the precious complex during Asian hours as participants look toward today's U.S. inflation data print. The DXY index added around +0.2% during Asian trade to 90.40 and mark the highest level this week, while the 10-year yield opened firmer, before tempering gains and softening into European hours. Whilst the on-shore premium in China remains robust toward \$7 to underpin price action across Asia, recent Indian demand has disappeared due to the ongoing Covid crisis in the country. Offers through USD \$1,845 - \$1,850 has thus far capped top-side gains, however a move through this level should see recent stops stretched and renewed fund interest in the metal. Down-side support remains robust toward USD \$1,825 - \$1,820, with hard support through the psychological USD \$1,800 figure and the 100 DMA at USD \$1,795. Silver has seen mixed price action in recent sessions to test down-side interest toward USD \$27, however continues to consolidate recent gains above the figure and spent the majority of today's session either-side of USD \$27.50. All eyes today on the U.S. CPI print, while we also see U.K. GDP, German CPI, U.K. industrial/manufacturing PMI prints and French CPI.

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