



MKS PAMP
GROUP

Daily Asia Wrap - 12th June 2020



Range Asian Hours
(from Globex open)

| | GOLD | SILVER | PLATINUM | PALLADIUM |
|------|--------------|----------|----------|-----------|
| OPEN | 1727.60/8.60 | 17.63/66 | 802/22 | 1907/47 |
| HIGH | 1729.90/0.90 | 17.69/72 | 814/34 | 1924/64 |
| LOW | 1722.10/3.10 | 17.38/41 | 791/11 | 1902/42 |
| LAST | 1727.00/8.00 | 17.56/59 | 814/34 | 1919/59 |

MARKETS/MACRO

US equities were decimated as investors continue to digest the Fed's assessment of the economy delivered on Wednesday, along with a strong uptick in COVID-19 cases in some US states. The Dow tumbled 1,861.82 points, or 6.90%, to 25,128.17, the S&P 500 dropped 188.04 points, or 5.89%, to 3,002.10, while the Nasdaq fell 527.62 points, or 5.27%, to 9,492.73. Losses for energy (-9.45%), financials (-8.18%) and materials (-7.74%) led a broad selloff in the markets. European equities were also sharply lower, the EuroSTOXX lost 15.08 points, or 4.10%, to 353.07, the German DAX shed 559.87 points, or 4.47%, to 11,970.29, and the London FTSE 100 fell 252.43 points, or 3.99%, to 6,076.70. In the currencies, the US dollar index firmed 0.76% to 96.81, the EUR traded down to 1.1292, while USD/JPY was at 106.82. US treasury yields were mixed, the 2 year yield firmed 2.8 bps to 0.199% while the 10 year yield eased 4.4 bps to 0.664%. Oil prices were lower, Brent sold off 5.2% to \$38.18 while WTI gave up 5.2% to \$35.99. Base metals were broadly lower, with nickel (-2.7%) leading the losses. In US economic data, initial jobless claims slowed to 1.54 million in the 7 days ending June 6. The producer price index rose 0.4% in May following the record 1.3% fall in April, while core PPI rose 0.1%. Household debt rose 3.9% in the first quarter of 2020. In Asia today, as I write the Nikkei is at -0.78%, the Shanghai composite is at +0.30%, the Hang Seng is at -1.03%, and the ASX S&P 200 is at -1.89%. Tonight we have the import price index and consumer sentiment index

out of the US; along with industrial production out of the eurozone.

PRECIOUS

Volatile session for the precious as global equities plunged lower, though the rising US dollar prevented gold from capitalising on the risk-off sentiment and pushing through the recent highs. Gold drifted lower through early Asian hours before popping back towards opening levels just ahead of the open in London. The metal was offered through the London AM session and printed the session low of \$1725. Gold surged almost \$20 in early NY trading to the high of \$1744 as equities were dumped. There were plenty eager to take profits later in the day, the yellow metal was sold well off the highs to a close of \$1732. Silver was under pressure for most of the session, and despite briefly regaining the \$18 handle in early NY hours the grey metal ended up finishing near the lows at \$17.72. The Philadelphia gold and silver index fell 6.19% to 114.84. The metals have been rangebound in Asia today, gold is sitting at the opening level \$1727 and silver at \$17.56 as I write. Have a good day ahead.

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