



MKS PAMP  
GROUP

## Daily Asia Wrap - 13th February 2020



Range Asian Hours  
(from Globex open)

	GOLD	SILVER	PLATINUM	PALLADIUM
OPEN	1565.80/20	17.48/51	962/64	2395/05
HIGH	1574.60/00	17.64/67	966/68	2407/17
LOW	1565.50/90	17.47/50	961/63	2374/84
LAST	1574.10/50	17.64/67	965/67	2395/05

### MARKETS/MACRO

US equities continue the hot streak, with the three major bourses enjoying record closes. The Dow added 275.08 points, or 0.94%, to 29,551.42, the S&P 500 rose 21.70 points, or 0.65%, to 3,379.45, while the Nasdaq gained 87.02 points, or 0.90%, to 9,725.96. Energy (+1.36%) and tech (+1.06%) led a near broad advance in the markets. European equities were higher, the EuroSTOXX advanced 2.68 points, or 0.63%, to 431.16, the German DAX put on 121.94 points, or 0.89%, to 13,749.78, and the London FTSE 100 added 34.93 points, or 0.47%, to 7,534.37. In the currencies, the US dollar index firmed 0.27% to 99.02, the EUR traded down to 1.0870, while USD/JPY was as high as 110.08. US treasury yields were lower, the 2 year yield rose 2.4 bps to 1.417% while the 10 year yield gained 2.2 bps to 1.592%. Oil prices were mixed, Brent rose 0.2% to \$54.06 while WTI eased 0.5% to \$49.94. Base metals were broadly higher, with aluminium (+1.9%) leading the gains. No significant data was release in the US on Wednesday, however we did see some weak data out of the Eurozone.

Industrial production plunged 2.1% in December, the largest monthly drop since February 2016, highlighting the weakness we saw at the end of 2019. In Asia today, as I write the Nikkei is at -0.13%, the Shanghai composite is at -0.53%, the Hang Seng is at -0.14%, and the ASX S&P 200 is at +0.03%. Tonight we have weekly jobless claims, consumer price index, and core CPI out of the US.

### PRECIOUS

Another range-bound session for the precious. Gold opened at \$1567 and traded a \$4 range through Asian hours. The metal printed the session low of \$1562 just after the London open and found the same support at that level that we have been seeing over the last week, the market remained around \$1565-67 through the AM session. Gold found support after US Fed Chair Powell's testimony before congress, fueled by expectations that the Fed will cut interest rates. The yellow metal came off the highs through the NY afternoon and finished the session at \$1565. Silver drifted lower through Asian hours and had dipped below \$17.50 by the time London came in. After a half-hearted rebound the grey metal traded to the day's low \$15.49 and closed not far off that level. Palladium climbed to the high of \$2400 during NY trading while platinum was weaker after late profit taking. The Philadelphia gold and silver index eased 0.73% to 102.12. ETF physical holdings continue to rise, SPDR Gold Trust holdings up 0.67% to 922.23 metric tonnes. The metals are firmer in Asia today as markets turn risk-off and the Japanese yen finds a bid. Gold opened at \$1565 and jumped \$5 in early Asian trading as USD/JPY dropped, the metal then pushed further to a high at \$1574.60. The yellow metal is just off the highs at \$1574.10. Silver is also gaining support, the grey metal is currently sitting at the high of \$17.64. Have a good day ahead.

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