



MKS PAMP
GROUP

Daily Asia Wrap - 13th March 2020



Range Asian Hours
(from Globex open)

	GOLD	SILVER	PLATINUM	PALLADIUM
OPEN	1579.20/60	15.83/85	768/81	1863/83
HIGH	1584.10/50	15.83/85	796/99	1905/25
LOW	1551.40/80	15.33/35	763/66	1830/50
LAST	1578.60/00	15.65/67	792/95	1898/18

MARKETS/MACRO

The US stock market suffered its worst collapse since 1987's Black Monday as the Trump Administration banned travel from the EU. US markets ended the longest bull run in history as the three major bourses slipped into bear market territory. The Dow dropped 2,352.60 points, or 9.9%, to 21,200.62, the S&P 500 tumbled 260.74 points, or 9.51%, to 2,480.64, while the Nasdaq shed 750.25 points, or 9.43%, to 7,201.80. Losses in industrials (-4.96%) and financials (-4.88%) lead a broad sell-off across the sectors. Energy (-12.30%), financials (-10.77%), and industrials (-10.33%) led the rout across all sectors. European equities were decimated, the EuroSTOXX gave up 38.24 points, or 11.48%, to 294.93, the German DAX lost 1,277.55 points, or 12.24%, to 9,161.713, and the London FTSE 100 dumped 639.04 points, or 10.87%, to 5,237.48. In the currencies, the US dollar index firmed 0.90% to 97.50, the EUR dipped as low as 1.1074, while USD/JPY traded up to 105.59. US treasury yields were higher, the 2 year yield added 5.1 bps to 0.489% while the 10 year yield rose 8.4 bps to 0.889%. Oil prices were lower, Brent sold off 4.5% to \$32.71 while WTI gave up 1.9% to \$31.04. Base metals were broadly lower, with nickel (-4.8%) leading the losses. In US economic data, the producer price index fell by 0.6% in February, the largest monthly decline in 5 years. Initial jobless claims fell 4,000 to 211,000 in the 7 days ending March 7, while continuing claims fell by 11,000 to 1.72 million. Equity markets are getting hammered in Asia today, as I write the Nikkei is at -7.97%, the Shanghai composite is at -3.32%, the Hang Seng is at -5.63%, and the ASX S&P 200 is at -4.69%. Tonight we

have the import price index and consumer sentiment index out of the US.

PRECIOUS

Mild bid tone in early Asian trading saw gold up to the session high \$1650. The metal swung between \$1635-45 during the London AM session as European equities collapsed. The market started to come off just ahead of the NY open and US investors were happy to sell into that weakness. No sign of safe haven support as gold tumbled through the \$1600 level to the low of \$1562, losing over 5% off the Asian highs. Volatile trading continued through remaining NY hours as panic selling hit all markets, the metal bounced back to \$1600 before dropping straight back to the lows. The yellow metal finished up deep in the red at \$1576. Silver was dumped in tandem with gold, the grey metal lost 5.5% to test \$15.50. Palladium was the huge mover, the metal shed an astonishing 30% to the low of \$1676, before recovering somewhat into the close. The Philadelphia gold and silver index fell 11.27% to 77.78. Whippy trading in Asia today, gold opened at \$1579.20 and dropped to a low of \$1551.40 as the SGE opened. The yellow metal clawed back all the losses and is currently around the opening levels at \$1578.60. Silver opened at the high and dropped 50c to \$5.33, the grey metal is sitting at \$15.65 as I write. Have a good day ahead.

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