



MKS PAMP
GROUP

Daily Asia Wrap - 14th August 2020



Range Asian Hours (from Globex open)

	GOLD	SILVER	PLATINUM	PALLADIUM
OPEN	1952.50/3.50	27.47/51	955/65	2161/81
HIGH	1962.00/3.00	27.71/74	961/71	2165/85
LOW	1944.60/5.60	26.80/84	948/58	2140/60
LAST	1951.80/2.80	26.98/02	949/59	2144/64

MARKETS/MACRO

Stocks in the U.S. finished mixed on Thursday as tech names kept the Nasdaq Composite buoyant amid uncertainty over a fresh coronavirus stimulus package. The DJIA finished -0.29% lower to 27,896.72 points, the S&P 500 slipped -0.20% to 3,373.43 points, while the Nasdaq Composite added +0.27% to 11,042.50 points. Giving the markets an early session boost were the weekly jobless claims, adding 963,000 during the week ended August 8 to mark a fresh pandemic low. Continuing claims meanwhile declined by 640,000 to a fresh pandemic low of 15.49 million during the week ended August 1. U.S. treasury yields continued to climb on Thursday, getting a boost from the initial jobless print. The two-year added 0.8bps to 0.163% and the 10-year firmed 4bps to 0.714%, the highest level in nearly 2-months. In currency majors the greenback lost ground (DXY -0.3%), falling relative to Euro as the pair remained supported above 1.18, while the safe-haven Japanese Yen lost ground to see USD/JPY test 107.00. Oil futures softened following a reduction to 2020 demand forecasts by the IEA. WTI declined -0.4% to USD \$42.34 per barrel, while Brent crude lost -0.5% to USD \$45.02 per barrel. Stocks across Europe ended in the red to see the Stoxx Euro 600 down -0.6% to 3,342.85 points, the German Dax fell -0.5% to 12,993.71 points and in London the FTSE 100 sunk -1.50% to 6,185.62 points.

PRECIOUS

Gold spent today's Asian session glued to the USD \$1,950 pivot as a lack of data and USD direction provided little in the way of price drivers after a volatile week. The metal took a break from recent whipsaw action in an attempt to consolidate through USD \$1,900 - \$1,950 and saw a moderation in the recent discount range in China, easing toward USD -\$75 after pushing through USD -\$100 earlier in the week. The lack of agreement in the U.S. regarding fresh stimulus should continue to keep U.S. stocks in check over the near-term, coupling with further dollar declines to provide an underlying level of support to gold. While near-term price action is likely to consolidate through USD \$1,900 - \$1,950, hard support sits toward USD \$1,875 - \$1,880 to continue the bull trend. Silver pricing continues to recover from the test underneath USD \$24 earlier in the week, however price action remains volatile as the metal attempts to settle into a range. Expect supportive demand to remain toward USD \$25, with the metal holding the figure following the retracement of Wednesday's low print. Data release today include Eurozone GDP, Eurozone employment data, U.S. retail sales, U.S. industrial production, U.S. manufacturing production and the University of Michigan consumer sentiment gauge.

Although the information in this report has been obtained from and is based upon sources MKS believes to be reliable, we do not guarantee its accuracy and it may be incomplete or condensed. All opinions and estimates constitute MKS' judgment as of the date of this report and are subject to change without notice. This report is for informational purposes only and is not intended as investment advice, offer or solicitation for the purchase or sale of an investment. This report does not consider or take into account the investment objectives or financial situation of a particular party.