



MKS PAMP
GROUP

Daily Asia Wrap - 14th May 2020



Range Asian Hours
(from Globex open)

	GOLD	SILVER	PLATINUM	PALLADIUM
OPEN	1716.50/7.50	15.54/56	763/67	1810/50
HIGH	1719.80/0.80	15.62/64	768/72	1835/75
LOW	1711.20/2.20	15.45/47	763/67	1810/50
LAST	1716.00/7.00	15.50/53	767/71	1817/57

MARKETS/MACRO

There were further declines to equities in the U.S. on Wednesday as Fed Chair Jerome Powell struck a dovish tone with regards to both the U.S. and the global economy. Powell urged further fiscal stimulus measures, however noted while the central bank is not currently considering negative rates, he was careful not to completely disregard the option. The DJIA ended the session down -2.17% to 23,247.97 points, the S&P 500 declined -1.74% to 2,820.00 points, while the Nasdaq Composite fell -1.54% to 8,863.17 points. In currency majors the dollar firmed modestly, however was mixed against majors. The Euro declined toward 1.08, while the safe-haven Japanese Yen slipped underneath 107.00. Treasury yields declined following Powell's comments, seeing the two-year off 1.4bps to 0.159%, while the 10-year fell 4.2bps to 0.648%. Oil futures firmed following a surprise drop in crude inventories reported by the EIA. WTI gained +0.5% to USD \$25.63 per barrel, while Brent crude advance +0.2% to USD \$29.45 per barrel. European shares finished lower to see both the Stoxx Europe and the German Dax down -2.6%, while in London the U.K. FTSE 100 shed 1.5%.

PRECIOUS

A relatively subdued session across the precious complex during Asian trade today, seeing gold pull back marginally from the previous session high, while continuing to remain buoyant above USD \$1,710. Powell's comments on Wednesday gave the metal a boost in New York, however resistance

through USD \$1,720 once again thwarted a move higher in early Asian trade. The Chinese market remains in heavy discount toward USD -\$40 and saw modest offers across spot to pressure bullion back toward the USD \$1,710 pivot level. Afternoon price saw demand pick up to pull the metal off the lows and back toward USD \$1,720, however still held within a narrow trading range. The near-term USD \$1,710 pivot is again in play, with down-side support sitting toward the psychological USD \$1,700 figure and the key hard support of USD \$1,677 below this. Top-side resistance levels cut in through USD \$1,720 and extends through USD \$1,739 to the recent high of USD \$1,747. Silver remains pinned to USD \$15.50 and continues to find hard support through USD \$15.30 - \$15.40. The white metals trade mixed as platinum finds interest on dips toward USD \$750 - \$760 but fails to make headway higher, while palladium remains heavy under USD \$1,900. Data today includes German inflation and U.S. initial jobless claims.

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