

Daily Asia Wrap - 15th December 2020

Range Asian Hours
(from Globex open)

	GOLD	SILVER	PLATINUM	PALLADIUM
OPEN	1828.30/80	23.84/87	1011/14	2303/13
HIGH	1834.80/30	24.04/07	1012/15	2315/25
LOW	1825.10/60	23.82/85	1004/07	2300/10
LAST	1833.40/90	24.02/05	1009/12	2308/18

MARKETS/MACRO

A mixed session across U.S. stocks to start the week as tech names outperformed to temper declines across industrials. The Dow Jones Industrial average finished -0.62% lower at 29,861.55 points after touching an intra-session high in early trade, the S&P 500 declined -0.44% to 3,647.49 points to book a fourth consecutive decline, while the Nasdaq Composite outpaced to book a +0.50% gain to 12,440.039 points. As vaccinations begin in the U.S., sentiment took a hit on headlines that New York may need to return to a 'full shutdown' as U.S. coronavirus deaths reach a staggering 300,000 people. Greenback declines were tempered somewhat by the risk-off tone across equities, however the DXY (-0.3%) failed to recover from early Asia weakness and finished underneath 91.00. The Euro remained buoyant above 1.2100 and finished +0.28% higher on the session, while the Japanese Yen pared European gains in New York to finish relatively flat on the session. Treasury yields tracked sideways as bonds sit in a holding pattern awaiting news out of the FOMC later this week. The two-year ended flat around 0.115%, while the 10-year eased less than 1bp to 0.8931%. There was a tinge of optimism around Brexit negotiations on Monday to underpin gains across regional stocks. The pan-European Stoxx 600 finished +0.44% higher to 391.85 points, the German Dax jumped +0.83% to 13,223.16 points, while a firmer Pound weighed upon the U.K. FTSE 100 in London to see the bourse end -0.23% lower to 6,531.83 points.

PRECIOUS

The Greenback saw further declines during Asian trade today to underpin a mild bid tone across the precious complex, however the metals remain range-bound as we head toward this week's FOMC meeting. Once again there was little in the way of directional flows out of China as the on-shore discount held toward USD -\$20, however we did see USD/Yuan firm in afternoon trade, at odds with general dollar flows. Initial support remains toward USD \$1,820 and the figure held well in New York on Monday amid further ETF redemptions. Further declines could see the 200 DMA at USD \$1,811 tested, with broad extension through to the psychological USD \$1,800 figure. Across the remainder there has been little movement today as silver tests the USD \$24 pivot, while platinum and palladium remain buoyant above USD \$1,000 and USD \$2,300 respectively. Data releases today include U.K. jobs data, U.S. Empire manufacturing, U.S. import prices, U.S. industrial production and U.S. treasury flows.

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