



MKS PAMP
GROUP

Daily Asia Wrap - 16th September 2020



Range Asian Hours
(from Globex open)

	GOLD	SILVER	PLATINUM	PALLADIUM
OPEN	1954.50/00	27.14/17	970/75	2402/32
HIGH	1962.70/20	27.34/37	972/77	2410/40
LOW	1949.85/35	27.02/05	965/70	2378/08
LAST	1958.30/80	27.19/22	971/76	2380/10

MARKETS/MACRO

Stocks in the U.S. finished higher on Tuesday as tech stocks continued to recover from recent declines, however the broader market pared earlier gains leading into the FOMC policy update. The DJIA inched just +0.01% higher to 27,995.60 points, the S&P 500 gained +0.52% to 3,401.20 points, while the Nasdaq Composite outperformed to finish +1.21% higher at 11,190.324 points. On the data front, the U.S. empire state manufacturing print for September surged to 17.0 (exp: 6.9) from 3.7 previously. The headline figure was driven by gains to new orders and a significant increase in shipments. Industrial production in the U.S. cooled during August, adding just +0.4% MoM (exp: +1.0%) from +3.5% the month prior. The greenback saw mixed pricing, however ended the session flat as the DXY index closed above 93.00. The Euro eased -0.10% on late session weakness after attempting to move above 1.19, while the Japanese Yen firmed +0.33% as USD/JPY closed underneath 105.50. Treasury yields inched higher to see the two-year finish at 0.139% and the 10-year add 0.8bps to 0.6805%.

PRECIOUS

A firm session across the precious complex in Asia today as gold pricing remained buoyant above USD \$1,950 heading into today's FOMC meeting. The yellow metal saw a brief period of weakness post the Shanghai open to test USD \$1,950, however interest toward the supportive level kept price action buoyant as the on-shore discount in China continues to trade pinned to USD -\$50. From a technical perspective, the uptrend from the March low remains intact, with near-term direction likely to be dictated by today's FOMC meeting and the path of both equities and the dollar. Today's FOMC meeting is the first on that committee members will be guided by the new principles and is likely to see a move toward accommodative policy and more focused average-inflation based forward guidance. Gold vols have eased marginally as the recent range tightens, bringing 1m in toward 17.25, while 3m sits around 19.50. Silver continues to hold above USD \$27 after breaking above the figure on Monday, while the white metals remain well supported as Palladium moves through USD \$2,400. All eyes today on the FOMC decision and future direction, while we also see U.K. CPI, U.S. MBA mortgage applications and U.S. retail sales.

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.