

Daily Asia Wrap - 17th December 2020

Range Asian Hours
(from Globex open)

	GOLD	SILVER	PLATINUM	PALLADIUM
OPEN	1863.90/50	25.31/34	1035/38	2320/50
HIGH	1868.50/10	25.38/41	1044/47	2330/80
LOW	1861.90/50	25.15/18	1034/37	2318/48
LAST	1866.50/10	25.28/31	1043/46	2328/58

MARKETS/MACRO

The FOMC agreed to maintain its target rate range at 0-0.25% while continuing its purchases of Treasury securities and mortgage-backed securities at current rates. The Dow lost 44.77 points, or 0.15%, to 30,154.254, the S&P 500 gained 6.55 points, or 0.18%, to 3,701.17, while the Nasdaq rose 63.13 points, or 0.50%, to 12,658.19. Wins for consumer discretionary (+1.07%) and tech (+0.74%) while utilities (-1.15%) led the laggards. European equities were higher, the EuroSTOXX added 3.24 points, or 0.82%, to 396.08, the German DAX advanced 203.11 points, or 1.52%, to 13,565.98, and the London FTSE 100 put on 57.59 points, or 0.88%, to 6,570.91. Volatile session for currency majors as the greenback spiked higher ahead of the FOMC announcement before immediately retracing. The US dollar index eased 0.25% to 90.23, the EUR was as high as 1.2203, while USD/JPY was at 103.47. US treasury yields were higher, the 2 year yield firmed 0.4 bps to 0.119% while the 10 year yield added 2.5 bps to 0.930%. Oil prices were higher, Brent gained 0.8% to \$51.07 while WTI rose 0.5% to \$47.79. Base metals were mostly higher, with copper (+0.7%) leading the gains. In US economic data, retail sales fell 1.1% in November, marking two straight months of declines, while retail sales ex-autos slipped 0.8%. The Markit Manufacturing PMI edged lower to 56.5 in December, with the Markit Services PMI falling to 55.3. The NAHB home builders index fell to 86 in December. In Asia today, as I write the Nikkei is at +0.04%, the Shanghai composite is at +0.63%, the Hang Seng is at +0.16%, and the ASX S&P 200 is at +0.79%. Tonight we have initially jobless claims, continuing jobless claims, housing starts, building permits, and the Philly Fed index out of the US; along with inflation data from the eurozone.

PRECIOUS

The precious complex extended gains as the US dollar remains under pressure. Gold traded around the previous session's high of \$1855 during Asian hours. London came in on the bid, sending bullion to the high of \$1865 as the EUR popped above 1.22 against the greenback. The market was back at opening levels during early NY hours with investors waiting on the announcement from the Fed. Gold dipped to the session low \$1850 just ahead of the announcement before rebounding quickly back to the highs. The yellow metal ended the session around the highs at \$1864. Silver was the standout on Wednesday, climbing to the high of \$25.29 after the FOMC announcement and closing just under that level for a solid daily gain. PGMs were unable to hold on to early gains and wound up closing in the red. The Philadelphia gold and silver index rose 1.96% to 142.94. Gold is looking firmer in Asia today as the US dollar continues to soften, the yellow metal was up to \$1868 and is at \$1866 as I write. Silver has seen some profit taking in Asia today after yesterdays run, the grey metal is currently trading at \$25.28. Have a good day ahead.

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