



MKS PAMP
GROUP

Daily Asia Wrap - 17th June 2020



Range Asian Hours
(from Globex open)

	GOLD	SILVER	PLATINUM	PALLADIUM
OPEN	1725.70/6.70	17.43/46	822/25	1911/61
HIGH	1728.20/9.20	17.50/53	824/27	1915/65
LOW	1724.40/5.40	17.34/37	815/18	1900/50
LAST	1725.80/6.80	17.35/38	818/21	1904/54

MARKETS/MACRO

Global equities rallied overnight after the US Feds stimulus announcement on Monday. The Dow added 526.82 points, or 2.04%, to 26,289.98, the S&P 500 rose 58.15 points, or 1.90%, to 3,124.74, while the Nasdaq gained 169.84 points, or 1.75%, to 9,895.87. Wins for energy (+2.82%) and healthcare (+2.44%) led a broad advance in the markets. European equities were sharply higher, the EuroSTOXX jumped 10.24 points, or 2.90%, to 363.33, the German DAX climbed 404.31 points, or 3.39%, to 12,315.66, and the London FTSE 100 put on 178.09 points, or 2.94%, to 6,242.79. In the currencies, the US dollar index firmed 0.41% to 97.03, the EUR traded down to 1.1240, while USD/JPY was at 107.35. US treasury yields were mixed, the 2 year yield added 0.4 bps to 0.193% while the 10 year yield lost 0.5 bps to 0.740%. Oil prices were higher, Brent advanced 2.6% to \$40.77 while WTI rose 2.3% to \$37.93. Base metals were broadly higher, with nickel (+2.2%) leading the gains. In US economic data, retail sales climbed a record 17.7% in May, with sales ex-autos rising 12.4%. Even with the rebound, retail sales are still down 6% year on year. Industrial production rose 1.4% in May, while capacity utilisation came in at 64.8%. The NAHB confidence index rose 21 points to 58 in June. In Asia today, as I write the Nikkei is at -0.48%, the Shanghai composite is at -0.10%, the Hang Seng is at -0.03%, and the ASX S&P 200 is at +0.55%. Tonight we have housing starts and building permits out of the US; along with construction output and inflation data from the eurozone.

PRECIOUS

Reasonably choppy but ultimately rangebound session for the precious on Tuesday. Gold traded to the high of \$1732 in Asia and again during the London AM session, meeting sturdy resistance on each occasion. The metal dropped to a low of \$1717 after the positive retail sales numbers were released in early NY hours, but the broad support around \$1720 persisted and gold traded back toward the highs. The yellow metal finished the session flat at \$1727. Silver tested \$17.50 through the session with resting offers capping the market at that level. PGMs were rangebound, though platinum was able to hang on to the \$800 handle. The Philadelphia gold and silver index eased 2.67% to 114.11. In Asia today, gold is trading a tight \$4 range, the yellow metal is at \$1725.80 as I write. Silver touched the \$17.50 resistance level earlier in the session before drifting lower, the grey metal is currently sitting at \$17.35. Have a good day ahead.

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