

Daily Asia Wrap - 18th May 2021

Range Asian Hours
(from Globex open)

18-May-21	GOLD		SILVER		PLATINUM		PALLADIUM	
	Bid	Offer	Bid	Offer	Bid	Offer	Bid	Offer
OPEN	1866.00	1866.60	28.1450	28.1750	1242.50	1245.50	2899.50	2914.50
HIGH	1873.50	1874.10	28.7350	28.7650	1249.00	1252.00	2907.00	2922.00
LOW	1865.30	1865.90	28.1200	28.1500	1238.50	1241.50	2895.00	2910.00
LAST	1868.70	1869.30	28.4750	28.5050	1240.50	1243.50	2905.00	2920.00

MARKETS/MACRO

US equities were lower to start the week as inflation concerns continue to weigh. The Dow lost 54.34 points, or 0.16%, to 34,327.79, the S&P 500 fell 10.56 points, or 0.25%, to 4,163.29, while the Nasdaq shed 50.93 points, or 0.38%, to 13,379.05. There wins for energy (+2.30%) while communications (-0.88%) and utilities (-0.86%) led the laggards. European equities were lower, the EuroSTOXX edged lower 0.24 points, or 0.05%, to 442.29, the German DAX slipped 20.02 points, or 0.13%, to 15,396.62, and the London FTSE 100 fell 10.76 points, or 0.15%, to 7,032.85. In the currencies, the US dollar index eased 0.13% to 90.16, the EUR traded up to 1.2156, while USD/JPY was at 109.23. US treasury yields were higher, the 2 year yield added 1.0 bps to 0.155%, while the 10 year yield firmed 3.1 bps to 1.649%. Oil prices were higher, Brent rose 1.7% to \$9.57 while WTI put on 1.9% to \$66.37. Base metals were broadly higher, with zinc (+2.6%) leading the gains. In US economic data, the Empire State manufacturing index slipped to 24.3 in May from 26.3 in April. The NAHB home builders index was flat at 83 in May. In Asia today, as I write the Nikkei is at +2.28%, the Shanghai composite is at +0.16%, the Hang Seng is at +1.26%, and the ASX S&P 200 is at +0.76%. Tonight we have building permits, and housing starts out of the US; along with balance of trade, employment change, and GDP growth rate out of the eurozone.

PRECIOUS

Strong session for the precious as investor demand ramps up, with gold breaking a key technical resistance level. Gold broke through the 200 DMA at \$1846 around the SGE open and traded up to \$1855 with the onshore SGE premium strong above +\$10. We saw a pull back toward opening levels in early London trading but NY came in on the bid and the rally really took off. Gold surged to a 3 month high at \$1868, fuelled in part by increasing talk of rising US inflation and ETFs, who reversed course during May, continuing to increase physical holdings. The yellow metal ended the session just below the highs at \$1866. Silver climbed over 3% to a high of \$28.28. Volumes were relatively lower for the PGMs, platinum finished ahead while palladium continued to find resistance at \$2900. The Philadelphia gold and silver index rose 5.50% to 166.01. In Asia today, the metals again got a boost when China came in as the greenback remains weak. Gold advance to \$1873 and is currently trading around last night's high of \$1868. Silver surged \$0.60 to a \$28.78 high in early trading before getting hit with profit taking. The grey metal is sitting at \$28.48 as I write. Have a good day ahead.

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