



MKS PAMP
GROUP

Daily Asia Wrap - 18th August 2020



Range Asian Hours (from Globex open)

	GOLD	SILVER	PLATINUM	PALLADIUM
OPEN	1983.50/4.50	27.43/46	955/58	2173/53
HIGH	1998.00/9.00	28.00/03	965/68	2180/30
LOW	1980.60/1.60	27.12/15	950/53	2117/67
LAST	1998.00/9.00	27.99/02	965/68	2162/12

MARKETS/MACRO

US equities were mixed on mixed economic data. The Dow lost 86.11 points, or 0.31%, to 27,844.91, the S&P 500 added 9.14 points, or 0.27%, to 3,381.99, while the Nasdaq rose 110.42 points, or 1.00%, to 11,129.73. There were wins for consumer discretionary (+1.21%) and REITs (+0.89%) while financials (-1.54%) led the laggards. European equities were higher, the EuroSTOXX added 1.19 points, or 0.32%, to 369.26, the German DAX gained 19.32 points, or 0.15%, to 12,920.66, and the London FTSE 100 rose 37.40 points, or 0.61%, to 6,127.44. In the currencies, the greenback was broadly sold the US dollar index slipped 0.26% to 92.82, the EUR traded up to 1.1871, while USD/JPY was down to 105.99. US treasury yields were mixed, the 2 year yield added 0.6 bps to 0.151% while the 10 year eased firmed 0.3 bps to 0.690% despite being as low as 0.674% through the day. Oil prices were higher, Brent firmed 0.4% to \$45.33 while WTI put on 1.1% to \$42.85. Base metals were broadly higher, buoyed by China's central bank supplying liquidity to commercial lenders on Monday, with zinc (+3.1%) leading the gains. In US economic data, the Empire State index fell 13.5 points to 3.7 in August. The NAHB home builders index rose to 78 in August. In Asia today, as I write the Nikkei is at -0.26%, the Shanghai composite is at +0.42%, the Hang Seng is at +0.15%, and the ASX S&P 200 is at +0.87%. Tonight we have housing starts and building permits out of the US.

PRECIOUS

Weaker USD dollar and further pressure on bond yields saw the precious enjoy a positive session. Gold was sold to the session low \$1930 in early Asian trading before making it's way back to opening levels as London came in. The metal was firmer in early London hours, trading up to \$1956. The rally picked up steam in NY, as the US dollar was sold off and bond yields slipped further, the yellow metal climbed to a high of \$1990. It was also revealed yesterday that Warren Buffett's Berkshire Hathaway took a \$563 million stake in Barrick Gold Corp during the second quarter, which may also have helped spark demand for gold. After some light profit taking late in the session, gold consolidated above \$1980 for the last couple of trading hours before closing at \$1985. Silver traded to a low of \$25.82 before climbing almost 7% to print the high of \$27.57 late in the session. In the PGMs, platinum was able to pivot above \$950 while palladium closed higher despite a heavy fall in late NY trading. The Philadelphia gold and silver index rose 5.84% to 154.47. The precious complex continues to attract buying interest in Asia today as the US dollar continues to soften. Gold has traded through yesterday's high and is currently sitting on the \$1996 high. Silver is testing \$28, the grey metal is trading at \$27.99 as I write. Have a good day ahead.

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