



MKS PAMP
GROUP

Daily Asia Wrap - 18th February 2020



Range Asian Hours
(from Globex open)

	GOLD	SILVER	PLATINUM	PALLADIUM
OPEN	1581.00/20	17.77/79	970/72	2527/37
HIGH	1587.50/70	17.91/93	973/75	2535/45
LOW	1581.00/20	17.77/79	969/71	2511/21
LAST	1586.60/80	17.88/90	971/73	2526/36

MARKETS/MACRO

A relatively subdued session on Monday on account of the President's Day holiday in the U.S., while data flows out of Europe were light. The World Trade Organisation released the forward-looking goods trade barometer, with the print falling to 95.5 in February from a 96.6 read in November. Figures underneath 100 suggest trade is likely to remain weak, while container shipping and agricultural trade weighed upon the headline print. Boris Johnson's trade envoy attacked the EU's stance ahead of trade talks, while comments from France's Foreign Minister that the UK and the EU will 'rip each other apart' during trade negotiations didn't help confidence. The British Pound was the main underachiever across the G10 space, falling -0.33% on the back of trade jitters with the EU, while the greenback finished relatively unchanged (DXY +0.02%). European equities followed Shanghai's stimulatory induced lead to finish the session firmer on Monday. Autos led the Stoxx Europe 600 +0.34% higher to 431.98 points. In Germany the Dax 30 tacked on +0.29% to 17783.89 points, while in London the FTSE 100 booked a +0.33% gain to 7,433.25 points. Oil prices recovered from early session declines to finish with

modest gains. Brent crude added +0.65% to USD \$57.70 per barrel, while WTI firmed +0.27% to USD \$52.31 per barrel.

PRECIOUS

The precious complex opened firmer in Asian trade as USD/JPY took a leg lower and regional equities showed early weakness. After spending the majority of Monday's session toward USD \$1,580, bullion pulled away from the pivot and tested Friday's New York high around USD \$1,585. Offers around the level capped pre-Shanghai pricing, however the metal was able to take a further leg higher once China opened, buoyed by a declining U.S. dollar and sharp falls to both the Nikkei and the Hang Seng in early trade. Follow through interest pushed gold to a USD \$1,587.50 high and while pricing tempered somewhat during afternoon trade, the metal remained buoyant heading into European hours. Recent price action has pushed vols modestly firmer, with 1m pushing back above 10, while 3m heads toward 11. Gold sits toward a resistance band through USD \$1,588 - \$1,594, with a break likely to see USD \$1,600 breached. Silver eased above Monday's USD \$17.88 top, however failed to make any meaningful headway toward USD \$18 in Asia. The grey metal has failed to pivot back through USD \$18 following the break down from the USD \$18.12 early February print, having tested around current levels on multiple occasions since that time. Palladium meanwhile has consolidated Monday's push above USD \$2,500 as the EFP remains toward -\$100, showing little sign of weakness. Data releases today include U.K. jobs data, German ZEW survey results, U.S. Empire State manufacturing and U.S. TIC flows.

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