



MKS PAMP
GROUP

Daily Asia Wrap - 18th March 2020



Range Asian Hours
(from Globex open)

	GOLD	SILVER	PLATINUM	PALLADIUM
OPEN	1526.00/6.75	12.59/63	662/66	1638/68
HIGH	1545.50/6.25	12.87/91	680/84	1690/20
LOW	1508.50/9.25	12.22/26	656/60	1576/16
LAST	1508.50/9.25	12.47/51	666/70	1640/80

MARKETS/MACRO

Stocks in the U.S. posted strong gains on Tuesday as stimulus measures buoyed investor sentiment. The session wasn't without volatility however, as the major bourse's relinquished early session gains to fall into negative territory, seeing the DJIA decline below 20,000 points within the first hour of trading. The bourse finished the session +5.2% or 1,049 points higher to 21,237.38 points, the S&P 500 ripped +6.0% higher to 2,529.19 points and the Nasdaq Composite surged +6.23% to 7,334.78 points. The gains come as the U.S. government plans a massive USD \$1 trillion economic response package, including the direct payment to individual Americans. The stimulus measures buoyed the greenback relative to majors and saw USD/JPY head toward 108.00, while the Euro declined underneath 1.10. Treasury yields ripped higher on the news to see the 10-year surge 35bps and settle back above 1.00%. Oil prices remained heavy on global growth concerns, sliding underneath USD \$30 per barrel, while gasoline futures in New York were sold sharply lower, cratering 23% to the lowest level since 2005. On the data front, U.S. retail sales fell -0.5% to book the largest decline in 12-months, indicating that

consumer spending, the main driver of the U.S. economy has begun to slow. Markets in Europe firmed on Tuesday amid choppy trade, with the Eurostoxx 600 adding +2.26% to 291.07 points, while the German Dax added +2.25% to 8,939.10 points even as the ZEW survey of economic sentiment capitulated a staggering -58.2 points to -49.5 (exp: -23.4) during March, the largest decline in history and the lowest level since the financial crisis.

PRECIOUS

A relatively quiet session across the precious complex in Asia today, however late session weakness did see gold ease back toward the key USD \$1,500 level. Early session bids saw gold print the session high above USD \$1,540, however the metal continues to run into layered offers through USD \$1,545 toward USD \$1,550 to restrict near-term gains for the time being. Chinese demand continued to provide little support as the on-shore premium remains toward -\$10, while consecutive days of silver trading limit down has seen the contracted suspended today. Rather than acting as a safe-haven, gold remains a source of cash for investors with exiting longs driving price action rather than an accumulation of shorts. We expect volatile price action to remain over the near-term, with the potential for further tests lower toward USD \$1,400 - \$1,450 not out of the question as long positioning remains extended. Silver has seen a modest pick-up in physical demand across India, however as coronavirus cases increase in the country we may see a tempering of this demand. The grey metal sees modest support around USD \$12, however is far from immune to further tests of the figure.

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