

Daily Asia Wrap - 20th May 2021

Range Asian Hours
(from Globex open)

| 20-May-21 | GOLD | | SILVER | | PLATINUM | | PALLADIUM | |
|-----------|---------|---------|---------|---------|----------|---------|-----------|---------|
| | Bid | Offer | Bid | Offer | Bid | Offer | Bid | Offer |
| OPEN | 1869.20 | 1869.80 | 27.7100 | 27.7400 | 1194.50 | 1197.50 | 2863.50 | 2878.50 |
| HIGH | 1878.90 | 1879.50 | 27.8900 | 27.9200 | 1209.50 | 1212.50 | 2895.50 | 2910.50 |
| LOW | 1863.80 | 1864.40 | 27.3900 | 27.4200 | 1190.50 | 1193.50 | 2861.50 | 2876.50 |
| LAST | 1872.00 | 1872.60 | 27.7750 | 27.8050 | 1207.00 | 1210.00 | 2879.00 | 2894.00 |

MARKETS/MACRO

The US Federal Reserve released minutes of their April meeting, which showed officials were cautiously optimistic about the US recovery, with some participants suggesting it would be appropriate to discuss scaling back bond purchases in upcoming meetings if the economy continued to progress toward the Fed's goals. Wild moves in cryptocurrencies added to the general risk off tone across the markets, with bitcoin crashing almost 30% off the days highs at one point after a statement was posted on the Chinese Banking Association website yesterday saying that financial institutions should "resolutely refrain" from providing services using digital currencies because of their volatility. US equities were lower, the Dow lost 164.62 points, or 0.48%, to 33,896.04, the S&P 500 fell 12.15 points, or 0.29%, to 4,115.68, while the Nasdaq edged lower 3.90 points, or 0.03%, to 13,299.74. Tech stocks (+0.33%) were firmer while energy (-2.53%) and materials (-1.54%) led the laggards. European equities were lower, the EuroSTOXX shed 6.70 points, or 1.51%, to 436.34, the German DAX slipped 273.02 points, or 1.77%, to 15,113.56, and the London FTSE 100 fell 84.04 points, or 1.19%, to 6,950.20. The FOMC minutes had a positive effect on the US dollar, the DXY index firmed 0.45% to 90.19, the EUR traded down to 1.2170, while USD/JPY wound up higher at 109.21 after some volatile trading. US treasury yields were higher, the 2 year yield added 0.8 bps to 0.157%, while the 10 year yield firmed 3.8 bps to 1.675%. Oil prices were lower, Brent sold off 2.0% to \$66.63 while WTI declined 2.2% to \$63.36. Base metals were sharply lower across the board, with copper (-3.9%) leading the losses. In Asia today, as I write the Nikkei is at +0.39%, the Shanghai composite is at -0.33%, the Hang Seng is at -0.84%, and the ASX S&P 200 is at +1.12%. Tonight we have initial jobless claims, continuing jobless claims, the Philly Fed manufacturing index, and the index of leading economic indicators out of the US; along with current account and construction output from the eurozone.

PRECIOUS

Rollercoaster session for the precious as crypto volatility and the release of the April FOMC minutes buffeted the complex. Gold was reasonably quiet through Asian hours, trading a \$10 range between \$1864-74. London came in on the offer and sold the metal down to the low of \$1852 as the greenback started to strengthen in anticipation of the FOMC minutes release. A severe sell-off in cryptocurrencies seemed to fuel a dramatic rise in gold in early NY trading, with the yellow metal surging to a high of \$1889. Bullion gave up the gains after the FOMC announcement saw the US dollar extend its rally. Gold ended the session flat at \$1870. Silver chart followed golds for the most part, a drop below \$27.40 was followed by a rally to \$28.22 in early NY trading. All gains were given up after FOMC however and the metal closed lower at 27.73. PGMs were heavy, sold off through European hours and unable to recover. The Philadelphia gold and silver index fell 2.01% to 162.00. In Asia today, gold traded up to \$1878 but has retreated toward opening levels, the yellow metal is sitting at \$1870 as I write. Silver has seen slightly choppy trading in periods today, the grey metal is currently trading at \$27.80. Have a good day ahead.

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