



MKS PAMP
GROUP

Daily Asia Wrap - 20th August 2020



Range Asian Hours
(from Globex open)

	GOLD	SILVER	PLATINUM	PALLADIUM
OPEN	1928.70/9.70	26.68/72	932/42	2152/72
HIGH	1954.70/5.70	27.41/45	941/51	2169/89
LOW	1924.70/5.70	26.59/63	925/35	2143/63
LAST	1949.60/0.60	27.22/26	935/45	2168/78

MARKETS/MACRO

Stocks in the U.S. finished lower on Wednesday following the release of the minutes from the July FOMC meeting, with the committee indicating the increasing risks surrounding virus spread would result in additional fiscal stimulus being required, notably to support families hardest hit by the pandemic. The minutes also noted that Federal Reserve staff were lowering their economic growth forecast for the second half of 2020, noting the rate of recovery to GDP and the pace of declines in the unemployment rate are expected to be 'somewhat less robust than in the previous forecast.' After breaking to a fresh record close on Tuesday, the S&P 500 ended trade on Wednesday down -0.44% to 3,374.85 points, the DJIA declined -0.31% to 27,692.88 points, while the Nasdaq Composite fell -0.57% to 11,146.46 points. The greenback climbed in conjunction with treasury yields, making notable gains relative to the Euro as the pair collapsed underneath 1.19, while the safe-haven Japanese Yen declined to see USD/JPY back above 106.00 after testing toward the 105.00 handle in Asia. Treasury yields in the U.S. pared early session declines to finish higher on Wednesday, seeing the two-year finish at 0.141%, while the 10-year firmed 0.8bps to 0.674%.

PRECIOUS

Good interest toward USD \$1,925 kept price action buoyant in early Asian trade following the Sell-off

yesterday, with demand evident from the re-open as participants look to re-establish length at more favorable levels. The metal quickly pivoted above USD \$1,930 around the Japanese open, pushing toward USD \$1,940 and holding around the figure into the Shanghai open. While the on-shore premium remains in heavy discount toward USD -\$80, there remained an underlying level of interest throughout the session, accelerating gains above USD \$1,950 in late afternoon flows. The correlation between the USD and gold remains intact to dictate price action over the near-term, with the DXY index holding toward 93.00 as both the Euro and the Japanese Yen retrace recent strength. Broad supportive interest sits toward USD \$1,925, with firm support at the psychological USD \$1,900 figure. The USD \$1,950 level sits as an initial top-side pivot, while key resistance holds around the USD \$1,975 - \$1,980 breakdown level. Of note is the move in the silver on-shore premium in China, sinking toward USD \$0.25 after being pinned around USD \$1 in recent weeks. Price action in the grey metal was centered around USD \$27, with supportive interest toward USD \$26.50 restricting any further declines.

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