



MKS PAMP
GROUP

Daily Asia Wrap - 20th February 2020



Range Asian Hours
(from Globex open)

	GOLD	SILVER	PLATINUM	PALLADIUM
OPEN	1601.00/20	18.18/20	990/92	2625/35
HIGH	1604.80/00	18.27/29	1002/04	2720/30
LOW	1599.50/70	18.15/17	990/92	2625/35
LAST	1602.20/40	18.25/27	1000/02	2720/30

MARKETS/MACRO

Investor's put concerns over the corona virus to one-side on Wednesday to take U.S. stocks higher, testing back toward record levels on hopes that Chinese stimulus measures would buoy growth. The DJIA ended the session +0.40% higher to 29,348.03 points, strength across technology (+1.09%) and energy stocks (+1.37%) underpinned the S&P 500 to a +0.47% gain at 3,386.15 points, while the Nasdaq Composite jumped +0.87% to 9,817.18 points. On the data front, U.S. housing starts fell less than expected during January, sliding -3.6% MoM (exp: -11.2%) to a seasonally adjusted annualised 1.567 million. Building permits meanwhile soared +9.2% MoM (exp: +2.1%) to follow a -3.7% fall the month prior. U.S. PPI meanwhile spiked during January, increasing +0.5% MoM (exp: +0.1%) to mark the largest increase in more than a year. In the 12-months through January PPI increased +2.1% YoY (exp: +1.6%) to mark the biggest increase since May. The so-called core PPI, which excludes the volatile food, energy and trade components, added +0.4% MoM and +1.5% YoY. The FOMC minutes from the January 28-29 meeting showed the current stance of monetary policy was deemed appropriate,

while expecting economic growth to continue at a moderate pace. The greenback remained bid on Wednesday, adding around +0.2% relative to majors after making notable gains relative to the Japanese Yen (USD/JPY +1.34%). Treasury yields meanwhile arrested recent declines, inching modestly higher to see the two-year 1.2bps higher to 1.4239%, while the 10-year firmed less than 1bp to 1.5661%. Stocks in Europe finished higher on Wednesday, led by gains across the technology sector. The Stoxx Europe ended trade +0.83% higher to 433.90 points, the German Dax added +0.79% to 13,789.00 points, while in London the FTSE 100 firmed +1.02% to 7,457.02 points as CPI outpaced expectations.

PRECIOUS

The precious complex was on the backfoot during Asian hours today, wiping away late session New York gains as the greenback turned bid and regional equities were generally firmer. While continuing to remain supported above USD \$1,600, gold tempered from Wednesday's test above USD \$1,610, easing back toward the USD \$1,605 pivot in early Shanghai trade. While the on-shore premium remained suppressed around USD \$1 relative to London spot, USD/CNH pushed higher to test above 7.04 and USD/JPY remained buoyant around 111.00. Lingering uncertainty should see the yellow metal continue to find demand above USD \$1,600, while top-side resistance levels sit around the recent high toward USD \$1,611 - \$1,615. Silver continues to find interest above USD \$18.20, however sees a number of recent peaks through USD \$18.30 - \$18.50 that may form a broad band of near-term resistance. Platinum has dipped back underneath USD \$1,000 today and will look to hold USD \$990 to resume the recent bullish pricing, while palladium volatility has tempered marginally today, trading a USD \$50 range to hold above USD \$2,700. Data today includes German consumer confidence, U.K. retail sales, the Philadelphia fed business outlook, U.S. initial jobless claims, Bloomberg U.S. consumer confidence and the U.S. leading index.

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