



MKS PAMP
GROUP

Daily Asia Wrap - 20th May 2020



Range Asian Hours
(from Globex open)

	GOLD	SILVER	PLATINUM	PALLADIUM
OPEN	1745.50/6.50	17.35/38	838/41	2036/66
HIGH	1750.30/1.30	17.59/62	851/54	2038/68
LOW	1743.30/4.30	17.31/34	834/37	1995/25
LAST	1748.00/9.00	17.54/57	837/40	2026/56

MARKETS/MACRO

US Fed Chairman Jerome Powell US equities finished lower after a late session sell off. The Dow lost 390.51 points, or 1.59%, to 24,206.86, the S&P 500 fell 30.97 points, or 1.05%, to 2,922.94, while the Nasdaq shed 49.72 points, or 0.54%, to 9,185.10. Energy (-2.89%) and financials (-2.52%) led a broad sell off in the markets. European equities were mostly lower, the EuroSTOXX declined 2.10 points, or 0.61%, to 339.49, the German DAX added 16.42 points, or 0.15%, to 11,075.29, and the London FTSE 100 slipped 46.36 points, or 0.77%, to 6,002.23. The US dollar index was flat at 99.58, the EUR was as high as 1.0969, while USD/JPY traded up to 107.95. US treasury yields were lower, the 2 year yield eased 0.6 bps to 0.165% while the 10 year yield gave up 1.5 bps to 0.690%. Oil prices were mixed, Brent lost 1.1% to \$34.69 while WTI firmed 0.8% to \$32.50. Base metals were mostly higher, with nickel (+1.7%) leading the gains. In S economic data, housing starts fell to a seasonally adjusted annual rate of 891,000 in April, while building permits fell to an annual rate of 1.074 million. In Asia today, as I write the Nikkei is at +0.91%, the Shanghai composite is at -0.44%, the Hang Seng is at -0.14%, and the ASX S&P 200 is at +0.30%. Tonight we have advance services, and FOMC minutes out of the US; along with inflation data from the eurozone.

PRECIOUS

Firm session for the precious as Powell's bearish comments fuel safe haven demand. Gold looked

well supported in early Asian trading with the onshore SGE premium tightening up. Late selloff saw a low of \$1726 printed just ahead of the London open before the metal returned to opening levels during the AM session. Plenty of buyers during NY hours after Powell's testimony, the yellow metal traded to a high of \$1748.0. Gold closed out the session near the highs at \$1744. Silver was rangebound until NY came in and bought the grey metal up to \$17.48. Platinum was the pick of the PGMs, closing well in front at \$836. The Philadelphia gold and silver index rose 3.63% to 129.26. Things have been quiet in Asia today with the metals looking for direction. Gold wasn't able to push through \$1750 and is sitting at \$1748 as I write. Silver has looked good today but remains capped at \$17.60, the grey metal currently trading at \$17.54. Have a good day ahead.

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