

Daily Asia Wrap - 21st December 2020

Range Asian Hours
(from Globex open)

	GOLD	SILVER	PLATINUM	PALLADIUM
OPEN	1884.30/80	25.84/87	1038/42	2357/67
HIGH	1902.60/10	27.07/10	1048/52	2398/08
LOW	1883.10/60	25.82/85	1034/38	2355/65
LAST	1899.40/90	27.02/05	1047/51	2385/95

MARKETS/MACRO

A lack of stimulus progress weighed upon stocks in the U.S. on Friday to see the major bourses finish in negative territory. The Dow Jones Industrial Average ended -0.41% lower at 30,179.05 points, the S&P 500 declined -0.35% to 3,709.41 points, while the tech-laden Nasdaq Composite eased -0.07% to 12,755.64 points. The greenback traded with a modest bid tone on Friday to temper recent declines, seeing the DXY +0.15% higher, however unable to consolidate above the 90.00 handle. Treasury yields tracked a narrow range to see the two-year end flat toward 0.12, while the 10-year added +1.6bps to 0.948%. On the data front, the U.S. current account deficit increased to the highest level in more than 12-years, widening 10.6% to USD -\$178.5 billion during Q3. Imports increased by USD \$94.4 billion to USD \$602.7 billion to mark the highest level since Q4 2019, while exports bounced USD \$68.4 billion to USD \$357.1 billion. The U.S. leading index increased +0.6% during November (exp: +0.5%) from a +0.8% increase during October. Stocks across Europe finished lower on Friday as the Brexit stalemate continued. The pan-European Stoxx 600 slipped -0.35% to 395.90 points, the German Dax fell -0.27% to 13,360.51 points, while in London the FTSE 100 declined -0.33% to 6,529.18 points.

PRECIOUS

Positive U.S. stimulus headlines pre-market saw the precious complex surge higher to start the week in Asia, with silver being the main beneficiary. Law makers in the U.S. said they had reached an agreement on deal to provide a USD \$900 billion in stimulus package that would see immediate aid to struggling Americans. The deal follows months of partisan gridlock and comes just hours before the Government was set to run out of funding. The grey metal tested briefly through USD \$26.00 heading into the Chinese open, before ripping higher in Shanghai as the on-shore discount tightened toward USD -\$0.25 after ending toward USD -\$0.40 on Friday. Afternoon flows saw the grey metal extend further to break above USD \$27.00, in excess of +5% higher on the session into European hours. Gold followed suit to test USD \$1,900 in early Asian flows, before extending through the figure during the afternoon. It is worth noting that the gains across the precious came amid a firmer greenback, seeing the DXY open +0.3% higher above the 90.00 handle and seeing continuing strength throughout the session. Platinum traded mixed, however found late session interest to test around USD \$1,050, while palladium was well supported to test USD \$2,400, before tempering gains late in trade.

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