



MKS PAMP
GROUP

Daily Asia Wrap - 21st May 2020



Range Asian Hours (from Globex open)

	GOLD	SILVER	PLATINUM	PALLADIUM
OPEN	1748.10/9.10	17.52/55	857/67	2079/19
HIGH	1748.30/9.30	17.52/55	859/69	2079/19
LOW	1735.80/6.80	17.09/13	830/40	2006/46
LAST	1737.00/8.00	17.14/18	839/49	2035/75

MARKETS/MACRO

U.S. stocks finished higher on Wednesday as investors turned focus toward the re-opening of the economy, buoyed by positive quarterly results from major retailers Target and Lowe's. The S&P 500 jumped +1.67% to 2,971.61 points, marking the highest closing level for the bourse since early March, while the DJIA added +1.52% to 24,575.90 points and the Nasdaq Composite finished +2.08% higher to 9,375.78 points. Stocks however finished off the session highs following the passing of a bill in the senate to delist Chinese companies on U.S. exchanges. The greenback remained heavy on Wednesday, declining further against majors as the safe-haven Japanese Yen firmed toward 107.30, while the Euro tested toward 1.10 on the back of further optimism over the proposed EUR 500 Billion region-wide stimulus package. Treasury yields were whippy, however ultimately finished marginally softer following a strong performance of the first 20-year treasury auction in more than 30 years. The two-year eased 0.1bp to 0.165%, while the 10-year declined 0.2bps to 0.688%. The FOMC minutes from the April revealed the committee discussed how best to convince the market that rates would stay low for a prolonged period of time, considering whether a date based or economic data point based approach could be put in place. With regards to central banks news, the Bank of England Governor Bailey backtracked to on negative rates, now open to utilising all available policy options. Stocks in Europe finished firmer to see the Stoxx Europe 600 add +1.4%, the German Dax gained +1.3%, while in London the FTSE 100 closed +1.1% higher. Oil futures were firmer on Wednesday as

WTI jumped +4.8% to USD \$33.50 per barrel, marking a 10-week high.

PRECIOUS

A softer session across the precious complex during Asian hours today as gold pulled back from the USD \$1,750 pivot level. The metal saw modest offers in early session pricing, while declines accelerated in Shanghai to see gold test back toward USD \$1,740 as the on-shore discount declined back toward USD -\$20 after trading USD -\$14 in recent sessions. The yellow metal remains locked within a USD \$40 range (USD \$1,760 - \$1,720) and should continue to find solid interest toward the lower end over the near-term, with top-side targets extending back through to USD \$1,795 - \$1,800. Silver, much like gold traded with an offered bias today, notably weaker in Shanghai as the on-shore premium pulled back underneath USD \$1 after holding above USD \$1.10 previously. The grey metal remains poised to break above USD \$18, with firm support through USD \$17.00 - \$16.80 the key near-term support level. Today we see the U.S. initial jobless claims print, while in the lead up we have the German Markit manufacturing PMI print, U.K. Markit composite PMI and the U.S. Markit manufacturing PMI print.

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