

## Daily Asia Wrap - 22nd April 2021

Range Asian Hours  
(from Globex open)

	GOLD	SILVER	PLATINUM	PALLADIUM
OPEN	1794.30/80	26.55/58	1215/18	2875/85
HIGH	1797.85/35	26.58/61	1220/23	2882/92
LOW	1787.70/20	26.33/36	1208/11	2855/65
LAST	1792.90/40	26.51/54	1213/16	2855/65

### MARKETS/MACRO

Stocks rebounded in the U.S. on Wednesday to snap two successive declines, with investors largely ignoring concerns over increasing Covid cases and instead turning focus to strong earnings results. The Dow Jones Industrial Average added +0.93% to 34,137.31 points, the S&P 500 also booked a +0.93% gain to 4,173.42 points, while the tech-laden Nasdaq Composite jumped +1.19% to 13,950.219 points. Notably the small cap Russell 2000 index outpaced to finish +2.35% higher at 2,239.63 points. The dollar remained heavy to see the DXY index test back toward the 91.0 handle, sliding -0.1% to sit around the 100 DMA (currently 91.04). The Euro saw mixed trade to finish the session unchanged, testing the 1.20 handle in Europe before finding interest in New York, while the Japanese Yen also ended the session flat as USD/JPY oscillated either-side of 108.00. Treasury yields yield relatively unchanged as the 10-year finished toward 1.555%, remaining within sight on the 50 DMA at 1.5382%, while the two-year yield eased 0.4bps to 0.1472%. On the data front, U.K. CPI for March underwhelmed to increase +0.3% MoM (exp: +0.4%), seeing the annual figure to +0.7% YoY (exp: +0.8%). The Bank of Canada held rates unchanged at 0.25%, however tapered weekly bond purchases from \$4 billion to \$3 billion. In the U.S., MBA mortgage applications surged 8.6% during the week ended April 16 as mortgage rates fell to the lowest level in nearly 2-months. Stock markets across Europe finished firmer to see the pan-European Stoxx 600 add +0.65% to 436.64 points, the German Dax gained +0.44% to 15,195.97 points, while in London the FTSE 100 finished +0.52% higher at 6,895.29 points.

### PRECIOUS

A session of consolidation across the precious complex in Asian trade today, as a softer dollar and declining yields generally underpinned price action. The DXY index opened on the backfoot and tested toward the 100 DMA (91.04) in early Asian trade, seeing declines accelerate following the Shanghai open, while the 10-year yield broke down through the 50 DMA amid illiquid early flows. We saw both on-shore and off-shore Yuan open lower, both trading with a 6.48 handle as the on-shore premium held around USD \$8, seeing spot gold to a session high of USD \$1,797.85 before the metal pared gains throughout the afternoon. Gold saw a brief test underneath USD \$1,790 as European names filtered in and the greenback attempted a reversal from earlier weakness, however good interest toward the level restricted any further pull-back. The psychological USD \$1,800 level looms as the key near-term directional pivot, with recent shorts expected to begin feeling some pain should we see this level breached. Silver has spent the majority of the session oscillating either side of USD \$26.50, seeing good interest on an early European dip toward USD \$26.35 and settling back above the level in late Asian trade. All eyes tonight on the ECB, while we also see the Chicago Fed Nat activity index, U.S. initial jobless claims, Langer U.S. consumer confidence, the U.S. leading index and U.S. existing home sales.

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