

## Daily Asia Wrap - 22nd February 2021

Range Asian Hours  
(from Globex open)

	GOLD	SILVER	PLATINUM	PALLADIUM
OPEN	1782.80/30	27.38/41	1282/87	2397/07
HIGH	1794.40/90	27.70/73	1303/08	2427/37
LOW	1780.80/30	27.34/37	1282/87	2397/07
LAST	1792.90/40	27.60/63	1290/95	2412/22

### MARKETS/MACRO

U.S. stocks ended modestly mixed on Friday, tempering earlier session gains late in trade as 10-year yields touch a 12-month high of 1.36%. The Dow Jones Industrial Average finished flat on the session at 31,494.32 points, the S&P 500 declined -0.19% to 3,906.71 points, while the Nasdaq Composite finished +0.15% higher at 13,874.46 points. The greenback traded under pressure on Friday as the DXY index posted a -0.26% decline toward 90.30. Commodity currencies such as the AUD (+1.31%) and the CAD (+0.50%) outperformed, while the EUR (+0.21%) moved back above the 1.21 handle. As mentioned, treasury yields firmed on Friday as bond prices declined, seeing the 10-year finish 4.3bps higher at 1.338%, while the two-year added +0.2bps to 0.108%. On the data front the U.S. Markit manufacturing PMI eased to 58.5 (exp: 58.8) during February from a read of 59.2 previously, while the services PMI improved to 58.9 (exp: 58.0) from 58.3 previously. Existing home sales in the U.S. increased +0.6% MoM during January to an annualised 6.69 million, an increase of 23.7% from a year earlier.

### PRECIOUS

A mixed session across the precious complex during Asian trade to start the week, as gold held a relatively narrow range amid firmer U.S. yields. Early dollar declines supported gold toward USD \$1,790 as the DXY index tested 90.20, however the bid tone across the precious soon reversed as the dollar found favour and 10-year yields spiked to a high of 1.3925%. Supportive interest through to USD \$1,780 kept the figure intact, while gold saw interest accelerate on the back of a late afternoon move through the recent resistance band around USD \$1,790 - \$1,792. The yellow metal remains technically heavy underneath the psychological USD \$1,800 figure and we are seeing a build in shorts as yields continue to run higher. The key down-side support sits through USD \$1,765 - \$1,760, while a move through this level is likely to see a deeper correction through USD \$1,700. Firmer base metals have supported silver and the PGM's today, with notably platinum testing back above USD \$1,300 and palladium surging through USD \$2,400. Data releases today include German IFO survey results, the Chicago Fed Nat activity index, the U.S. leading index and the Dallas Fed manufacturing activity index. Data releases today include German IFO survey results, the Chicago Fed Nat activity index, the U.S. leading index and the Dallas Fed manufacturing activity index.

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