



MKS PAMP  
GROUP

## Daily Asia Wrap - 22nd January 2020



Range Asian Hours  
(from Globex open)

	GOLD	SILVER	PLATINUM	PALLADIUM
OPEN	1558.40/60	17.77/79	1002/04	2395/15
HIGH	1558.60/80	17.77/79	1005/07	2420/40
LOW	1550.20/40	17.68/70	993/95	2390/10
LAST	1553.20/40	17.76/78	1005/07	2420/40

### MARKETS/MACRO

Stocks in the U.S. broke a recent string of gains on Tuesday on the back of heightened concerns over the spread of the coronavirus, now with one confirmed case in the U.S. The DJIA finished the session off -0.52% at 26,196.04 points to snap a five-session winning streak, while the S&P 500 declined -0.27% to 3,320.79 points and the Nasdaq Composite pulled back from an intra-session record of 9,397.578 points to end -0.19% lower at 9,370.81 points. Declines were led by industrials (-1.09%) and energy (-1.88%), while real estate stocks pushed +1.07% higher. President Trump arrived in Davos for the World Economic Forum, on the side-lines discussing the ongoing trade negotiations with Europe. "They know that I'm going to put tariffs on them if they don't make a deal that's a fair deal," Trump noted in an interview with the Wall Street Journal on the first day of the forum. The Greenback finished Tuesday relatively unchanged after paring European declines in New York hours. There was a move into safe-haven assets such as the Japanese Yen (USD/JPY -0.33%), while the Euro reversed a move above 1.11 to finish -0.12% lower, sliding underneath the figure late in trade. Treasury yields were sold on

Tuesday to see the two-year down 2.9bps to 1.53%, while the 10-year slipped 4.5bps lower to 1.774%. European stocks finished mixed on Tuesday to see the Stoxx Europe 600 eased -0.14% to 423.38 points, while the German Dax added +0.05% to 13,555.87 points following improved ZEW survey results and in London the FTSE 100 declined -0.53% to 7,610.70 points on the back of a firmer pound (GBP/USD +0.27%).

#### **PRECIOUS**

Gold spent today's Asian session pinned around the USD \$1,550 pivot, trading offered throughout the session as we head closer to the Chinese New Year break. There were further Chinese equity outflows recorded, however we saw USD/Yuan dragged lower on exporter interest to reverse an early session bid and keep the on-shore gold premium in Shanghai depressed toward USD \$3. The yellow opened with USD \$1,560 in sight, however immediately suffered from selling pressure to move toward USD \$1,555. Early Chinese offers extended declines to see the metal touch a USD \$1,550.20 low before supportive demand restricted a move underneath the figure. Yesterday's pull back from USD \$1,568 look like a resounding vote of no-confidence in the yellow metal and may open up a test toward USD \$1,530 - \$1,540 over the near-term, notably with China soon on leave. Silver price action saw a sharp move underneath USD \$18 yesterday and the grey metal extended further away from the figure during Asian hours today. We have seen interest toward USD \$17.65 - \$17.70 keep price action buoyant over the past few weeks, however the metal does look susceptible to a further extension lower, possibly toward USD \$16.50 - \$17.00 over the near-term. Platinum eased underneath USD \$1,000, however has recaptured the figure in afternoon pricing, while palladium sits firmly above USD \$2,400 following yesterday's -4.6% retracement.

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