



MKS PAMP
GROUP

Daily Asia Wrap - 22nd May 2020



Range Asian Hours
(from Globex open)

	GOLD	SILVER	PLATINUM	PALLADIUM
OPEN	1726.40/7.40	17.08/12	821/51	2020/70
HIGH	1729.90/0.90	17.11/15	827/57	2021/71
LOW	1724.20/5.20	16.73/77	812/42	1984/34
LAST	1726.00/7.00	16.80/84	817/47	1996/46

MARKETS/MACRO

US equities were lower as tensions with China escalate. The Dow lost 101.78 points, or 0.41%, to 24,474.12, the S&P 500 fell 23.10 points, or 0.78%, to 2,948.51, while the Nasdaq shed 90.90 points, or 0.97%, to 9,284.88. Energy (-1.48%) and tech (-1.40%) led a near broad decline in the markets. European equities were lower the EuroSTOXX declined 2.56 points, or 0.75%, to 340.26, the German DAX gave up 157.78 points, or 1.41%, to 11,065.93, and the London FTSE 100 fell 51.91 points, or 0.86%, to 6,015.25. In the currencies, the US dollar index rose 0.26% to 99.42, the EUR traded up to 1.1007, while USD/JPY was as high as 107.84. US treasury yields were higher, the 2 year yield firmed 0.4 bps to 0.165% while the 10 year yield rose 1.6 bps to 0.679%. Oil prices were lower, Brent sold off 0.7% to \$36.19 while WTI eased 0.6% to \$33.99. Base metals were mixed, with zinc (-2.6%) the big mover. In US economic data, initial jobless claims totalled a seasonally adjusted 2.44 million in the week ending May 16. The Philadelphia Fed manufacturing index rose to -43.1 in April from 56.6 in March. Existing home sales fell to a seasonally adjusted annual rate of 4.33 million. In Asia today, as I write the Nikkei is at -0.76%, the Shanghai composite is at -1.31%, the Hang Seng is at -4.61%, and the ASX S&P 200 is at -0.75%. No significant data due for release on Friday.

PRECIOUS

Gold opened at the session high \$1748 and was offered through Asian hours with the onshore SGE discount fell back toward -\$20 after trading around -\$14 in recent days. The metal saw support around \$1730 during the London AM session as European equities were sold off. Gold saw profit taking in early NY trading as a bump in the greenback sparked a sharp decline. The yellow metal printed a low of \$1717 before a modest recovery saw the market finish up the session at \$1725. Silver was on the offer from the outset and dropped below \$17 during NY hours before finding some support. The grey metal was able to recover the \$17 handle and closed at \$17.06. The Philadelphia gold and silver index lost 2.75% to 124.55. In Asia today, gold opened at \$1726 and has traded a very tight \$5 range, the yellow metal is currently still sitting at that opening level of \$1726. Silver has come under pressure today, the grey metal broke the \$17 support and is currently trading near the lows at \$16.80. Have a good day ahead.

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