



MKS PAMP
GROUP

Daily Asia Wrap - 23rd April 2020



Range Asian Hours
(from Globex open)

	GOLD	SILVER	PLATINUM	PALLADIUM
OPEN	1714.40/6.40	15.09/13	762/66	1912/52
HIGH	1719.20/1.20	15.34/38	771/75	1988/18
LOW	1706.80/8.80	14.96/00	753/57	1905/45
LAST	1716.50/8.50	15.29/33	768/72	1988/18

MARKETS/MACRO

A firmer session for U.S. equities on Wednesday as oil prices recovered from recent heavy selling pressure. The DJIA finished trade +2% higher to 23,475.82 points, the S&P 500 firmed +2.3% to 2,799.32 points, while the Nasdaq Composite closed with a +2.8% gain to 8,495.38 points. Currency majors finished relatively unchanged as the greenback traded with a modest bid. The safe-haven Japanese yen held underneath 108.00, while the Euro traded heavily toward 1.08. Treasury yields ended higher to see the two-year add 1.8bps to 0.213%, while the 10-year gained 6bp to 0.614%. Oil futures rallied to see WTI gain over 30% to USD \$14.25 (June), while Brent crude ripped 28% higher to around USD \$21 per barrel. Stock markets in Europe ticked higher to see Eurostoxx +1.6% higher, the German Dax added +1.6%, while the U.K. FTSE 100 advanced +2.3%. On the data front European consumer confidence tanked to -22.7 from -11.6 previously.

PRECIOUS

Gold prices remained firm during Asian hours today, with interest toward USD \$1,710 largely supportive. The Chinese premium, although still in heavy discount, is moving slowly to the right and sits underneath USD -\$50, however the Comex EFP is still restrictive to the arbitrage. The Comex EFP remains elevated and pushed higher with spot on the break above USD \$1,700, it should begin to

normalise however as logistic and production bottlenecks ease. It is worth noting that Swiss gold exports into the U.S. jumped to a record high last month and this should help to allay recent fears over supply constraints. From a positioning standpoint, fresh longs have driven recent increases, however they are still yet to reach the highs seen earlier this year. ETF's accumulation continues to record highs to help underpin price action. While the medium-term viewpoint still skews bullish, futures/spot dislocation and volatility across various asset classes continue to drive near-term downside risks. Initial supportive interest sits toward USD \$1,700, while hard supports holds through USD \$1,650 - \$1,637. The near-term view becomes bullish on a close above \$1,740. Silver has pivoted through the psychological USD \$15 level and should continue to see interest as the Gold/Silver ratio pares back from recent levels. Look for an uptick in demand as India returns in early May. Price action across the white metals has been uneventful today as platinum holds above USD \$750, while palladium sits underneath USD \$2,000. All eyes tonight on the U.S. initial jobless claims print, with a combined 22m claims over the past three-weeks.

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