



MKS PAMP
GROUP

Daily Asia Wrap - 24th June 2020



Range Asian Hours
(from Globex open)

	GOLD	SILVER	PLATINUM	PALLADIUM
OPEN	1767.20/70	17.94/97	830/33	1910/60
HIGH	1774.20/70	18.05/08	832/35	1918/68
LOW	1766.60/10	17.84/87	824/27	1907/57
LAST	1769.80/30	17.88/91	829/32	1908/58

MARKETS/MACRO

Global equities were supported by positive economic data releases on Tuesday. The Dow added 131.14 points, or 0.50%, to 26,156.10, the S&P 500 rose 13.43 points, or 0.43%, to 3,124.74, while the Nasdaq gained 74.89 points, or 0.74%, to 10,131.37. There were wins for consumer discretionary (+1.04%) and tech (+0.70%) while utilities led the laggards. European equities were higher, the EuroSTOXX advanced 4.70 points, or 1.30%, to 367.40, the German DAX climbed 260.79 points, or 2.13%, to 12,523.76, and the London FTSE 100 put on 75.50 points, or 1.21%, to 6,320.12. In the currencies, the greenback came under broad pressure and US dollar index eased 0.33% to 96.68, the EUR traded up to 1.348, while USD/JPY dropped as low as 106.10. US treasury yields were mixed, the 2 year yield lost 0.2 bps to 0.188% while the 10 year yield firmed 1.5 bps to 0.714%. Oil prices were lower, Brent sold off 0.5% to \$42.53 while WTI fell 0.1% to \$40.22. Base metals were mixed, with zinc (-2.3%) the big mover. In US economic data, the Markit (flash) manufacturing index rose to a 4 month high 49.6 in June, while the services index also rose to a 4 month high 46.7. New home sales rose 16.6% to a seasonally adjusted annual rate of 676,000 in May. In Asia today, as I write the Nikkei is at +0.06%, the Shanghai composite is at +0.19%, the Hang Seng is at -0.09%, and the ASX S&P 200 is at +0.29%. Tonight we have the FHFA home price index out of the US.

PRECIOUS

Gold broke out of its recent range in a strong session for the precious. The USD dropped and gold popped briefly above \$1760 in early Asian trading after White House trade advisor Peter Navarro claimed that President Trump had decided to terminate the trade deal with China. Markets quickly reversed once it was clarified that this claim was false and the trade deal remains intact. Bullion traded to the session low of \$1749. London was happy to buy at these levels which saw the metal back toward the Asian highs. The US dollar was broadly sold, particularly against the Japanese yen, after the open in NY which helped fuel a steady grind higher for gold which ended in the metal posting a 7 year high \$1769. The yellow metal closed just below the high at \$1767. Silver was also higher, the grey metal tested \$18 late in the session before closing at \$17.96. In the PGMS, platinum recovered early losses to finish higher while palladium remained rangebound. The Philadelphia gold and silver index firmed 1.67% to 123.72. In Asia today, gold traded to another high of \$1774 before investors took profits. The yellow metal is consolidating around \$1768-69 through the afternoon and is sitting at \$1769 as I write. Silver took the \$18 handle in early Asian trading but once again there was plenty of selling interest at those levels, the grey metal is currently trading lower at \$17.88. Have a good day ahead.

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