



MKS PAMP  
GROUP

## Daily Asia Wrap - 27th February 2020



Range Asian Hours  
(from Globex open)

	GOLD	SILVER	PLATINUM	PALLADIUM
OPEN	1639.00/20	17.90/92	915/17	2780/10
HIGH	1652.40/60	18.13/15	923/25	2840/70
LOW	1638.90/10	17.90/92	909/11	2780/10
LAST	1646.00/20	18.05/07	918/20	2805/35

### MARKETS/MACRO

Stocks in the U.S. extended recent session declines on Wednesday on further coronavirus fears, while the U.S. 10-year yield continued to slide, touching a fresh record low toward 1.30%. The DJIA reversed early session gains to end -0.46% or 123.77 points lower to 26,957.59 points, heavy trade across energy stocks (-3%) weighed upon the S&P 500 as the bourse slipped -0.38% to 3,116.39 points, while the Nasdaq Composite bucked the trend to add +0.17% to 8,980.773 points. In currency majors the greenback saw mixed pricing, however was able to finish the session with a modest gain (DXY +0.03%). The safe-haven Japanese Yen finished relatively unmoved, while the British pound traded offered throughout the session (GBP/USD -0.80%). Treasury yields slumped on the flight to safety, seeing the two-year fall 5.5bps to 1.165%, while the 10-year ended 3bps lower at 1.333% after touching a record intraday low of 1.302%. Coronavirus headlines overshadowed positive housing data out of the U.S. as new home sales jumped +7.9% during January, a fresh cycle high.

## PRECIOUS

President Trump discussed the developing coronavirus situation at a press conference in Washington today (Wednesday U.S. time) amid reports that a person in California had contracted the virus without travelling outside the U.S. or coming into contact with a known patient. While the President attempted to allay fears over the situation, participants focused on the California headlines to underpin a bid tone across the precious complex and push gold back toward USD \$1,650 in early session pricing. U.S. futures turned sharply lower as did treasury yields toward the Chinese open to see bullion through USD \$1,650, however offers around the level kept further top-side moves in-check. Afternoon flows saw multiple attempts of a consolidation above USD \$1,650 thwarted, with early European selling keeping the metal underneath the level. While still friendly to gold we cannot rule out further tests toward the USD \$1,625 - \$1,630 support band, however it does seem like only a matter of time before the metal consolidates back through USD \$1,650 to test resistance around USD \$1,690. Data today includes U.S. GDP, U.S. personal consumption, U.S. core PCE, U.S. durable goods orders, U.S. initial jobless claims, Bloomberg U.S. consumer confidence and U.S. pending home sales.

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