



MKS PAMP
GROUP

Daily Asia Wrap - 28th February 2020



Range Asian Hours
(from Globex open)

	GOLD	SILVER	PLATINUM	PALLADIUM
OPEN	1644.00/40	17.77/80	903/06	2855/75
HIGH	1649.20/60	17.84/87	904/07	2865/85
LOW	1627.90/30	17.05/08	874/77	2710/30
LAST	1632.20/60	17.25/28	887/90	2801/21

MARKETS/MACRO

Global equity markets are in freefall after Trump's press conference on Wednesday evening failed to instill confidence with investors that COVID-19 impact on the US will be contained, with the Dow experiencing its worst one day points loss in history. The Dow dropped 1,190.95 points, or 4.42%, to 25,766.64, the S&P 500 fell 137.63 points, or 4.42%, to 2,978.76, while the Nasdaq shed 414.29 points, or 4.61%, to 8,566.48. REITs (-5.59%), energy (-5.47%) and tech (-5.33%) were at the forefront of the bloodbath in US markets. European equities were hammered, the EuroSTOXX gave up 15.17 points, or 3.75%, to 389.45, the German DAX lost 407.42 points, or 3.19%, to 12,367.46, and the London FTSE 100 shed 246.07 points, or 3.49%, to 6,796.40. In the currencies, the US dollar index eased 0.75% to 98.39, the EUR climbed as high as 1.1006, while USD/JPY slid to 109.34. US treasury yields were mixed, the 2 year yield eased 1.6 bps to 1.101% while the 10 year yield firmed 0.3 bps to 1.297%. Oil prices were lower, Brent eased 0.7% to \$52.30 while WTI lost 1.5% to \$47.19. Base metals came under broad pressure, with zinc (-1.7%) leading the losses. In US economic data, US GDP grew at an annual pace of 2.1% in the 4th quarter of 2019. Durable goods orders fell 0.2% in January however core capital goods rose 1.1%. The pending home sales index rose 5.2% in January. Initial jobless claims rose 8,000 to 219,000 in the 7 days ending February 22, continuing claims fell by 9,000 to 1.72 million. In Asia today, as I write the Nikkei is at -4.15%, the Shanghai composite is at -3.18%, the Hang Seng is at -2.73%, and the ASX S&P 200 is at -3.25%. Tonight we have advance trade in

goods, personal income, consumer spending, core inflation, Chicago PMI, and consumer sentiment index out of the US.

PRECIOUS

Range-bound session as the precious failed to capitalise on the collapse in global equities. Gold was well supported in early Asian trading on USD weakness and moved above \$1650 before retracing toward opening levels as just ahead of the London open. The market was fairly subdued through the AM session in London, remaining mostly within the \$1645-50 range. NY squeezed the metal to the session high \$1660 as the greenback continued to come off but unfortunately the support at \$1650 once again failed to hold and gold was sold down to the low of \$1635. A late rally into the close saw the yellow metal end the session modestly higher at \$1644. Silver found an early bid in Asia and traded to the high of \$18.10, the metal tried to hold on to the \$18 level through early London trading before being sold off to the session low \$17.64. Palladium was the standout, reaching fresh record highs above \$2850. The Philadelphia gold and silver index fell 7% to 99.83. In Asia today, equities were hit hard across the region and the precious is in the midst of a sharp sell-off as I write. Gold opened at \$1644 and reached a low of \$1627.90 late in the day. The yellow metal is at \$1632.20 as I write. Silver has dropped over 4% of today's high to print a low of \$17.05, the grey metal is at \$17.25 as I write. Have a good day ahead.

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