



MKS PAMP
GROUP

Daily Asia Wrap - 28th May 2020



Range Asian Hours
(from Globex open)

| | GOLD | SILVER | PLATINUM | PALLADIUM |
|-------------|--------------|----------|----------|-----------|
| OPEN | 1711.50/2.50 | 17.25/28 | 830/50 | 1942/82 |
| HIGH | 1719.00/0.00 | 17.37/40 | 832/52 | 1953/03 |
| LOW | 1707.90/8.90 | 17.17/20 | 822/42 | 1919/49 |
| LAST | 1719.00/0.00 | 17.32/36 | 828/38 | 1953/03 |

MARKETS/MACRO

The European commission proposed a EUR 750 billion stimulus plan, fueling a rally in European equities that flowed into US markets. The Dow added 553.16 points, or 2.21%, to 25,548.27, the S&P 500 rose 44.36 points, or 1.48%, to 3,036.13, while the Nasdaq gained 72.14 points, or 0.77%, to 9,412.36. Financials (+4.34%) led the gains for a second day running, while industrials (+3.34%) and REITs (+2.15%) were also impressive. European equities were higher, the EuroSTOXX rose 0.83 points, or 0.24%, to 349.75, the German DAX put on 153.04 points, or 1.33%, to 11,657.69, and the London FTSE 100 advanced 76.49 points, or 1.26%, to 6,144.25. In the currencies, the US dollar index ended up at 98.95 after a choppy session, the EUR was as high as 1.1025, while USD/JPY traded up to 107.89. US treasury yields were higher, the 2 year yield firmed 1.8 bps to 0.180% while the 10 year yield added 0.8 bps to 0.693%. Oil prices were lower on reports Russia would ease back on output cuts in July, Brent sold off 5.1% to \$34.06 while WTI lost 5.7% to \$32.1. Base metals were mostly lower, with zinc (-3.1%) leading the losses. In Asia today, as I write the Nikkei is at +1.80%, the Shanghai composite is at -0.21%, the Hang Seng is at -1.19%, and the ASX S&P 200 is at +1.31. Tonight we have initial jobless claims, GDP estimate, durable goods orders, core capital goods orders, and the pending home sales index out of the US; along with business confidence, consumer confidence, economic sentiment, industrial sentiment, services sentiment, and consumer inflation

expectations out of the eurozone.

PRECIOUS

Mixed session for the precious as escalating US-China tensions provide a support for the market. There was some early buying in Asia which squeezed gold above \$1715 before it came under some pressure in the afternoon. The metal tested the \$1700 support during the London AM session as the European stimulus announcement buoyed stocks. Low of \$1695 was printed in early NY hours before the US said Hong Kong was no longer considered politically independent from China which saw gold catch a bid. The yellow metal rallied to close flat at \$1713. Silver traded as low as \$16.87 before rallying almost 50c in NY to print a high of \$17.34. The grey metal ended the session just off the highs at \$17.32. The Philadelphia gold and silver index eased 0.21% to 118.63. In Asia today, gold traded down to \$1708 before attracting buying interest later in the afternoon, the yellow metal is currently sitting on the high of \$1719. Silver traded as high as \$17.37 and is sitting at \$17.32 as I write. Have a good day ahead.

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