



MKS PAMP
GROUP

Daily Asia Wrap - 28th September 2020



Range Asian Hours
(from Globex open)

	GOLD	SILVER	PLATINUM	PALLADIUM
OPEN	1862.30/80	22.90/93	853/58	2222/42
HIGH	1864.60/10	23.08/11	857/62	2230/50
LOW	1855.60/10	22.52/55	850/55	2209/29
LAST	1856.30/80	22.58/61	851/56	2209/29

MARKETS/MACRO

U.S. stocks rebounded on Friday to end of volatile week that saw both the Dow Jones Industrial Average and the S&P 500 book their fourth consecutive week of declines, as participants monitor coronavirus updates in addition to a fresh stimulus bill. House Speaker Nancy Pelosi reportedly spoke to Treasury Secretary Steven Mnuchin on Friday regarding a new stimulus package, with both parties agreeing to keep communication channels open. The Nasdaq Composite outpaced on Friday to finish the session +2.26% higher to 10,913.56 points, the Dow Jones Industrial Average added +1.34% to 27,173.96 points, while the S&P 500 gained +1.60% to 3,298.46 points. Gains across technology stocks led the broader market higher, with notably Apple (+3.75%) and Microsoft (+2.28%) firmer. On a weekly basis, the S&P 500 declined -1.8%, the Dow Jones Industrial Average fell -0.6%, while the Nasdaq Composite added +1.0% to mark the first positive week over the last four weeks. The greenback finished the session higher (DXY +0.3%) as EUR/USD (-0.35%) tested toward 1.16, while the safe-haven Japanese Yen slipped -0.12% as USD/JPY pushed above 105.50. Treasury yields eased modestly on

Friday to see the two-year dip 0.5bps to 0.1289%, while the 10-year declined 1.1bps to 0.6561%. On the data front, U.S. durable goods orders improved for a fourth consecutive month during August, ticking +0.4% MoM higher (exp: +1.5%). Capital goods orders meanwhile jumped +1.8% MoM (exp: +1.0%), while July's print saw an upwards revision to +2.5% from +1.9% previously. Stocks across Europe finished generally lower, with the German Dax leading the way in falling -1.09% to 12,469.20 points, while the Euro Stoxx eased -0.10% to 355.51 points, while in London the FTSE 100 gained +0.34% to 5,842.67 points.

PRECIOUS

A generally quiet session across the precious during Asian trade, with price action limited to an early European decline that saw gold test toward the recent supportive band around USD \$1,855. The yellow metal spent the majority of the session buoyant above USD \$1,860, testing underneath level on the Shanghai open, however seeing limited follow-through selling. China continued to see a sharp discount toward USD -\$45, providing little in the way of price direction across spot as gold held either side of USD \$1,860. Late Asian offers saw the metal print a session low of USD \$1,856.10, with no real catalyst for the weakness as the dollar held unmoved, however sizeable interest toward this level restricted any further declines. A number of price directional events this week for gold, notably the first U.S. Presidential debate on Tuesday and U.S. payrolls on Friday. Initial support for the metal remains at the 100 DMA (USD \$1,847 currently), while quarter end balancing may play a role in coming days. Focus in silver remains ETF outflows that have seen the metal test support through USD \$22.50 in recent sessions, as spot pricing looks to base following a -15% fall last week. Data releases today are light with the main event being the Dallas Fed manufacturing Index, while in Europe, ECB President Christine Lagarde speaks in front of the European Parliament in Brussels.

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