

Daily Asia Wrap - 2nd March 2021

Range Asian Hours
(from Globex open)

	GOLD	SILVER	PLATINUM	PALLADIUM
OPEN	1723.70/20	26.50/53	1190/95	2353/63
HIGH	1728.50/00	26.68/71	1198/03	2372/82
LOW	1706.80/30	25.97/00	1176/81	2340/50
LAST	1713.90/40	26.09/12	1180/85	2351/61

MARKETS/MACRO

U.S. stocks ripped higher on Monday to kick off March on a positive note, buoyed by optimism over the Biden administration's stimulus bill and a tempering of yields following recent gains. The Dow Jones Industrial Average finished +1.95% higher at 31,535.51 points, the S&P 500 jumped +2.38% to 3,901.82 points, while the tech-laden Nasdaq Composite surged +3.01% to 13,588.828 points. The greenback saw good support throughout the session after opening softer, seeing demand in Europe to push the DXY index above 91.0 and finish +0.11% higher. The Euro failed at an attempt above 1.21 and posted a -0.23% decline, while the Japanese Yen eased -0.15% as USD/JPY tested toward 107.00. Treasury yields paused to see the 10-year hold toward 1.41%, while the two-year eased 0.8bps to 0.1191%. On the data front, Markit's final read of February U.S. manufacturing inched higher to 58.6 (exp: 58.5) from an estimate of 58.5, however was softer than the 59.2 print during January. Meanwhile the ISM measure of U.S. manufacturing increased to 60.8 during February, outpacing expectations centered around 58.9 and printing 2.1 points higher than January's 58.7 read. Markets across Europe ended Monday's session firmer as the pan-European Stoxx 600 gained +1.84% to 412.44 points, the German Dax added +1.64% to 14,012.82 points and in London the U.K. FTSE 100 finished +1.62% higher to 6,588.53 points.

PRECIOUS

There was little respite for the precious complex in Asian trade today as metals remained heavy against a stronger dollar. Gold held toward the recent USD \$1,720 support level in early session trade as currency majors tracked sideways, however interest soon evaporated once China opened and the dollar turned sharply bid. We saw muted movement across the SGE as the on-shore premium held toward USD \$7/\$8 amid Yuan weakness. On the spot side, the yellow metal saw a modest stop loss run through USD \$1,720 to initially test USD \$1,715, before breaking down through USD \$1,710 briefly into the Chinese lunchbreak. Afternoon pricing oscillated around USD \$1,715 with little catalyst for price direction as the dollar paused and the Euro looked to find support above 1.20 (-0.22%). Near-term support for the metal sits initially at the USD \$1,700 psychological figure, with potential extension through the figure to USD \$1,670 - \$1,650. Top-side targets meanwhile cut in at USD \$1,730, however the key pivot sits through USD \$1,760/65. Focus remains on both the greenback and yields for price direction as the Euro looks to hold toward 1.20 - 1.195 and the 10-year sits underneath 1.50% following the 1.608% high printed last week. Data releases today include German retail sales, U.K. house prices, German employment, Eurozone CPI and Canada GDP.

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