



MKS PAMP  
GROUP

## Daily Asia Wrap - 2nd October 2020



Range Asian Hours  
(from Globex open)

	GOLD	SILVER	PLATINUM	PALLADIUM
OPEN	1904.30/80	23.80/83	895/00	2318/38
HIGH	1908.90/40	23.94/97	897/02	2320/40
LOW	1890.20/70	23.48/51	886/91	2305/25
LAST	1904.30/80	23.78/81	890/95	2305/25

### MARKETS/MACRO

Stocks in the U.S. ended Thursday's session firmer as participants turned focus to stimulus negotiations. The Dow Jones Industrial Average inched +0.13% higher to 27,816.90 points, the S&P 500 added +0.53% to 3,380.80 points, while the Nasdaq Composite jumped +1.42% to 11,326.51 points. The greenback declined modestly (DXY - 0.13%) against majors, as the Euro consolidated above 1.17, while the safe-haven Japanese Yen eased -0.08% to see USD/JPY finish around 105.50. Treasury yields finished largely unmoved in a quiet session. The two-year yield ended flat toward 0.127% and the 10-year yield eased 0.5bps to 0.679%. Initial jobless claims in the U.S. declined to a six-month low of 837,000 during the week ended September 26. Continuing claims meanwhile fell 980,000 to 11.8 million during the week ended September 19, marking the lowest level since late March. Personal income in the U.S. sunk -2.7% during August from a +0.5% gain the month prior, while personal spending improved +1.0% from +1.5% previously and the core PCE deflator held at +0.3%. The ISM U.S. manufacturing PMI print eased to 55.4 during September from 56.0 previously,

driven by a sharp fall in new orders and weakness across production.

## **PRECIOUS**

What was initially a tepid session, turned into whippy price action across the afternoon following headlines that both President Trump and Melania Trump have tested positive for the coronavirus. The news initially saw the precious complex turn offered on the back of a firmer greenback, however the mood soon shifted into a flight to safety as U.S. equity futures moved sharply lower and the dollar pared gains. After spending the early part of the session tracking lower, gold pushed off a test of USD \$1,890 to pivot through the USD \$1,900 figure and extend gains toward USD \$1,910 as USD/JPY broke down through 105.00. The yellow metal attempts to make headway through resistance toward USD \$1,910 and a close above USD \$1,900 - \$1,910 will be the key for a sustained move higher in the coming weeks as we head into an uncertain U.S. election period. Silver has been disappointing in recent sessions after attempting multiple moves above USD \$24, however unable to consolidate the level. The grey metal should find favour amid the uncertainty surrounding the U.S. election, however will need a close above USD \$24 to generate renewed interest in the metal. All eyes tonight on the U.S. jobs print, while we also see Eurozone CPI, the University of Michigan consumer sentiment, U.S. factory orders and U.S. durable goods orders.

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