



MKS PAMP
GROUP

Daily Asia Wrap - 30th September 2020



Range Asian Hours
(from Globex open)

	GOLD	SILVER	PLATINUM	PALLADIUM
OPEN	1897.30/80	24.20/23	883/88	2318/38
HIGH	1899.40/90	24.29/32	890/95	2330/50
LOW	1884.20/70	23.72/75	870/75	2315/35
LAST	1886.30/80	23.78/81	871/76	2315/35

MARKETS/MACRO

U.S. stocks snapped a string of wins on Tuesday, with major bourses booking modest declines as investor's looked ahead to the first Presidential debate. The Dow Jones Industrial Average finished the session -0.48% to 27,452.66 points, the S&P 500 also booked a -0.48% decline, ending the session at 3,335.47 points, while the Nasdaq Composite declined -0.29% to 11,085.25 points. The greenback remained under pressure (DXY -0.45%) as the Euro broke back above 1.17 (EUR/USD +0.68%), while the Japanese Yen saw month end flows weigh upon the safehaven (USD/JPY +0.18%). Treasury yields finished generally unchanged as the two-year held around 0.125%, while the 10-year declined less than 1bp to 0.65%. On the data front, wholesale inventories rebounded +0.5% MoM during August to follow a -0.1% fall the month prior. Consumer confidence in the U.S. surged during September according to the latest conference board report, printing 101.8 (exp: 90.0) from 86.3 previously. The expectations index drove the headline print higher, jumping to 104.0 from 86.6 previously, while the present situations index firmed to 98.5 from 85.8 previously.

PRECIOUS

Today's Asian session saw the first Presidential debate descend into a shouting match between President Trump and former Vice President Biden, with Biden looking marginally more favourable at the end of the combative 90 minutes. The result looks to have weighed upon U.S. equity futures, however it's difficult to garner any longer-term impact. The greenback initially drifted lower in early session flows, however found favour post-debate, bouncing around +0.2% off the session low print. The precious complex traded offered throughout the session as gold failed to pivot above USD \$1,900, with declines accelerating against a firmer dollar in the afternoon, however remaining buoyant toward USD \$1,890. Gold vols have held relatively stable amid the recent price action as 1m sits toward 17.25, the 3m hold underneath 18.00, while the 1w has moderated into around 17.50. The key for near-term price action is a move through resistance around USD \$1,896 - \$1,906, with ETF creations the likely driver. Silver handed back -2.5% on the session in Asia today after failing to hold the USD \$24 figure. The metal currently sits +3.8% higher on the week and is benefiting from renewed demand across the ETF space, with further interest expected on a clean break above USD \$24. All eyes tonight on U.S. ADP employment and U.S. GDP.

Although the information in this report has been obtained from and is based upon sources MKS believes to be reliable, we do not guarantee its accuracy and it may be incomplete or condensed. All opinions and estimates constitute MKS' judgment as of the date of this report and are subject to change without notice. This report is for informational purposes only and is not intended as investment advice, offer or solicitation for the purchase or sale of an investment. This report does not consider or take into account the investment objectives or financial situation of a particular party.