



MKS PAMP
GROUP

Daily Asia Wrap - 31st January 2020



Range Asian Hours
(from Globex open)

	GOLD	SILVER	PLATINUM	PALLADIUM
OPEN	1573.90/30	17.83/86	978/80	2285/25
HIGH	1575.50/90	17.84/87	982/84	2295/35
LOW	1571.60/00	17.80/83	977/79	2285/35
LAST	1572.10/50	17.84/87	979/81	2290/30

MARKETS/MACRO

US equities mounted a late rally to close higher on Thursday, after the three major bourses were all down almost 1% earlier in the session. The Dow added 124.99 points, or 0.43%, to 28,859.44, the S&P 500 rose 10.26 points, or 0.31%, to 3,283.66, while the Nasdaq gained 23.77 points, or 0.26%, to 9,298.93. There were wins for financials (+1.25%) and consumer staples (+1.05%) while communications (-0.79%) led the laggards. European equities were lower, the EuroSTOXX lost 4.25 points, or 1.01%, to 415.16, the German DAX fell 187.88 points, or 1.41%, to 13,157.12, and the London FTSE 100 shed 101.61 points, or 1.36%, to 7,381.96. In the currencies, the US dollar index eased 0.18% to 97.85, the EUR traded up to 1.1037, while USD/JPY was as low as 108.60. US treasury yields were lower, the 2 year yield fell 3.0 bps to 1.367% while the 10 year yield slipped 3.1 bps to 1.534%. Oil prices were lower, Brent sold off 1.6% to \$58.28 while WTI lost 1.3% to \$52.12. Base metals were mostly lower, with zinc (-1.0%) leading the losses. In US economic data, GDP rose at a 2.1% annualised rate the final quarter of 2019, which was slightly better than the 1.9% expectation. Initial jobless claims fell by 7,000 to 216,000 in the seven days ending January 25, continuing claims fell by 44,000 to 1.7 million. In Asia today, as I write the Nikkei is at +1.02%, the Shanghai composite is at -2.75%, the Hang Seng is at +0.22%, and the ASX S&P 200 is at +0.10%. Tonight we have employment cost index, personal income, consumer spending, core price index, Chicago PMI, and consumer sentiment index out of the US; along with GDP growth and inflation rate out of the Eurozone.

PRECIOUS

Gold firmed slightly to sit around \$1580 during Asian hours with China still out for the holiday period. The metal remained around \$1580 through a quiet AM session in London. Gold traded up to the session high \$1586 in NY as the greenback came off. Markets turned risk-on late in the day and the yellow metal was sold off as equities rallied. Gold finished the session all but flat at \$1575. Silver opened at \$17.52 in Asia and enough support to test the \$18 level during NY trading, with resting orders capping any move higher. Silver closed off the highs but still well in front at \$17.80. Platinum pared early losses to finish flat while palladium closed higher following a choppy session. The Philadelphia gold and silver index firmed 0.39% to 103.52. Quiet again in Asia today, gold is softer but appears to have support around \$1570, the yellow metal is currently sitting at \$1572.10. Silver is trading a very tight range, the grey metal is at \$17.84 as I write. Have a good day ahead.

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