



MKS PAMP
GROUP

Daily Asia Wrap - 31st July 2020



Range Asian Hours
(from Globex open)

	GOLD	SILVER	PLATINUM	PALLADIUM
OPEN	1955.60/6.60	23.47/50	902/12	2062/02
HIGH	1975.20/6.20	24.25/28	914/24	2087/27
LOW	1955.00/6.00	23.29/32	896/06	2047/87
LAST	1972.60/3.60	24.08/11	910/20	2083/23

MARKETS/MACRO

U.S. GDP was in focus on Thursday, falling a seasonally adjusted and annualised -32.9% during Q2 and -8.2% QoQ, a record decline for the measure. Personal consumption cratered 34.6% on an annualised basis seasonally adjusted, also a record fall as spending on services tanked -43.5% annualised. Stocks in the U.S. ended off the session lows, while the Nasdaq Composite managed to book a gain ahead of a number of key earnings results. The DJIA finished -0.85% lower at 26,313.65 points, the S&P 500 declined -0.37% to 3,246.22 points, while the Nasdaq Composite tacked on +0.42% to 10,587.81 points. On the job front, initial jobless claims increased for the second consecutive week, adding 12,000 to 1.434 million during the week ended July 25, while continuing claims increased by 867,000 to 17.06 million for the week ended July 18. In Germany, GDP fell -10.1% QoQ during Q2, to mark the third consecutive quarterly fall. In currency majors the greenback remained under pressure, largely weaker against the Euro as the common currency pivoted above 1.18, while USD/JPY consolidated the 104.00 handle. Treasury yields in the U.S. declined further as the U.S. GDP print weighed upon sentiment, seeing the 10-year to 0.548%, marking the lowest level since March.

PRECIOUS

A firm session across the precious complex during Asian hours today as renewed concern over the economic impact of increasing Covid cases in the U.S. and subsequent USD weakness drove price action. Volumes through Comex were robust as gold stretched further above the recent supportive band through USD \$1,940 - \$1,950, seeing a generally orderly move higher throughout the session. While the on-shore Chinese discount opened toward USD -\$75, it did improve throughout the session to end underneath USD -\$70, however provided little in the way of price direction to London gold. Instead interest looks to remain centered around USD weakness, with a move to EUR/USD toward 1.19 boosting gold through USD \$1,980 to test a fresh all-time high. Continued retail demand should support the metal through USD \$2,000 over the near-term after Monday's all-time high print saw a bout of profit taking put the brakes on a test of the figure. Silver saw supportive price action toward USD \$23 in New York on Thursday and extended back through USD \$24 in Asia today on further greenback weakness. After printing above USD \$26 earlier in the week the grey metal has been subject to whipsaw price action in recent session sessions, however the bull-trend remains in-tact. Data today includes Euro area GDP and U.S. core PCE

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