



MKS PAMP  
GROUP

## Daily Asia Wrap - 31st March 2020



Range Asian Hours  
(from Globex open)

	GOLD	SILVER	PLATINUM	PALLADIUM
OPEN	1619.50/21.50	14.04/08	726/30	2283/23
HIGH	1623.00/25.00	14.15/19	735/39	2350/90
LOW	1611.00/13.00	13.94/98	723/27	2280/20
LAST	1613.10/15.10	14.06/10	728/32	2311/51

### MARKETS/MACRO

U.S. stock rebounded on Monday as participants largely ignored a report from the St. Louis Fed that showed U.S. unemployment could rise to 32%, translating to a further 47 million job losses, while President Trump announced social distancing measures would be extended to the end of April. The DJIA finished the session +3.19% higher to 22,327.48 points, the S&P 500 ended 3.35% higher to 2,626.65 points, while the Nasdaq Composite advanced +3.62% to 7,774.15 points. The Dow was led higher by a +8% gain to pharmaceutical giant Johnson and Johnson after reports that the company could begin human testing on a coronavirus vaccine as early as September this year. The greenback firmed on Monday, paring early session declines relative to the safe-haven Japanese Yen to push back above 108.00, while the Euro tested back toward 1.10 and the Yuan declined after the PBOC cut the 7-day reverse repo rate to 2.20% from 2.40%. U.S. treasury yields continued to soften on Monday as month-end buying, and fiscal stimulus measures weighed upon yields. The two-year ended 3bps lower to 0.226% to mark the lowest level since May 2013, while the 10-year slumped to a 3-week low of 0.667%, down 7.7bps.

### PRECIOUS

Gold remains locked within a tight range above the psychological USD \$1,600 support level, with

little interest in the yellow metal throughout Asian trade today, as China were notably quiet. The on-shore premium in Shanghai has pushed out toward USD -\$20 as arbitrage traders struggle with the June Comex EFP, while April EFP has moved sharply as participants either exit positions or switch into June. The lockdown in India meanwhile has cut physical demand for both gold and silver notably, while the severe reduction in aircraft capacity impacts upon physical flow globally. Expect any tests toward USD \$1,600 to be well supported , with extension lower likely limited toward USD \$1,580 as ETF's continue to accumulate the metal and provide supportive interest. Top-side offers continue to remain evident through USD \$1,635 - \$1,640 to limit gains over the near term. Silver once again oscillated either side of USD \$14 during Asian hours today and is struggling amid a lack of Chinese and Indian interest. The white metals remain well supported as physical supply out of South Africa is impacted by the 21-day coronavirus shutdown. U.S. auto sales due this week will be closely watched.

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