



MKS PAMP  
GROUP

## Daily Asia Wrap - 3rd June 2020



Range Asian Hours  
(from Globex open)

	GOLD	SILVER	PLATINUM	PALLADIUM
OPEN	1727.20/3.20	18.07/10	843/46	1955/05
HIGH	1731.50/2.50	18.07/10	846/49	1965/15
LOW	1720.00/1.00	17.78/81	837/40	1950/00
LAST	172.50/3.50	17.87/90	839/42	1963/13

### MARKETS/MACRO

Global equities lift as investors anticipate the ECB increasing its stimulus response to the COVID pandemic. The Dow added 267.63 points, or 1.05%, to 25,742.65, the S&P 500 rose 25.09 points, or 1.23%, to 3,080.82, while the Nasdaq gained 56.33 points, or 0.59%, to 9,608.37. Wins for energy (+2.65%) and materials (+1.76%) led a broad advance in the markets. European equities were higher on expectations that the ECB will expand pandemic response funding, the EuroSTOXX advanced 5.57 points, or 1.57%, to 359.77, the German DAX jumped 434.43 points, or 3.75%, to 12,021.28, and the London FTSE 100 put on 53.72 points, or 0.87%, to 6,220.14. The US dollar index eased 0.14% to 97.68, the EUR traded up to 1.1193, while USD/JPY jumped to 108.74. US treasury yields were higher, the 2 year yield added 0.6 bps to 0.164% while the 10 year yield firmed 2.6 bps to 0.685%. Oil prices were higher, Brent gained 2.7% to \$39.65 while WTI rose 3.7% to \$36.95. Base metals were mostly higher, with nickel (+1.8%) leading the gains. In Asia today, as I write the Nikkei is at +0.89%, the Shanghai composite is at +0.51%, the Hang Seng is at +1.20%, and the ASX S&P 200 is at +1.51%. Tonight we have ADP employment, Markit services PMI, ISM non-manufacturing index, and factory orders out of the US; along with Markit services PMI, unemployment rate, and PPI out of the eurozone.

### PRECIOUS

Rally in global equities weighed on the precious. Gold was bid in early Asian trading but couldn't push through the recent highs at \$1744 before retracing toward opening levels. The metal made a slow grind higher during the London AM session despite the risk-on tone in equities. NY were buyers at the open and squeezed the market back to the \$1744 high before the selling kicked in. Sharp slide saw gold shed \$22 to the session low \$1722. The yellow metal closed out the session at \$1727. Silver was pummeled in NY trading and hit a low of \$17.80, though the grey metal was able to recover well enough to reclaim the \$18 handle. In the PGMS, platinum was testing \$800 before recovering most of the losses, while palladium ended up flat. The Philadelphia gold and silver index fell 3.49% to 118.80. In Asia today, the precious is under pressure once again as the risk-on tone flows through Asian markets. Gold is off slightly from the open, the yellow metal is currently sitting right on the \$1722 support that was held overnight. Silver was sold from the opening bell, the grey metal reached as low as \$17.78 and is trading at \$17.87 as I write. Have a good day ahead.

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