



MKS PAMP  
GROUP

## Daily Asia Wrap - 3rd March 2020



Range Asian Hours  
(from Globex open)

	GOLD	SILVER	PLATINUM	PALLADIUM
OPEN	1587.00/20	16.73/75	865/67	2530/60
HIGH	1601.10/30	16.99/01	877/79	2560/90
LOW	1587.20/40	16.70/72	864/66	2530/60
LAST	1598.30/50	16.91/93	871/73	2535/65

### MARKETS/MACRO

U.S. equity markets saw a relief rally on Monday as the major bourses look to make a dent in last week's declines. Late session news describing a potential G7 statement to be released on Tuesday indicated coordinated intervention and gave stocks a boost into the close, pushing the DJIA to its biggest single-session percentage gain since March 2009. The bourse finished +5.09% higher at 26,703.32 points, while the S&P 500 jumped +4.60% to 3,090.23 points and the Nasdaq Composite gained +4.49% to 8,952.164 points. Both the S&P 500 and the Nasdaq Composite notched their largest single-session percentage gains since late December 2018. The ECB looked to reassure markets overnight, releasing a statement noting that the central bank is closely monitoring developments with respect to the implications of the coronavirus on the economy, medium-term inflation and the transition of their monetary policy. The bank stands ready to take appropriate and targeted measures as necessary and commensurate with the underlying risks. In currency majors, the greenback declined further (DXY -0.58%) on Monday, although managed to edge modestly higher relative to the Japanese Yen and

recapture the 108.00 handle, while heavy against the euro (EUR/USD +0.97%). Treasury yields dug themselves out of a hole late in trade after the 10-year touched a fresh low of 1.028%. The two-year eased 2bps to 0.907% and the 10-year finished relatively unchanged at 1.16%. On the data front, the U.S. ISM print for February slipped modestly to 50.1 (exp: 50.5) from 50.9 previously. The Markit U.S. manufacturing PMI measure fell to 50.7 during February (exp: 50.8) from 51.9 during January.

#### **PRECIOUS**

A relatively subdued session across the precious complex in Asia today, with metals holding rangebound with a mild skew to the top-side. The majority of price action was limited to around the Chinese open, with gold pushing USD \$10 higher to test toward USD \$1,600 as the on-shore premium sat toward USD \$1. We saw afternoon headlines regarding the rumoured G7 statement, noting it is currently being drafted for finance leaders to issue on either Tuesday or Wednesday, however currently it does not include specific language calling for fresh fiscal spending or coordinated interest rate cuts by central banks. The news saw gold push back through the USD \$1,600 psychological level, however the bid tone was short lived and a lack of follow through interest negated further gains. Gold finally seems to be finding underlying supportive interest, marking higher lows of the past few sessions and looking to consolidate the USD \$1,600 handle. Down-side interest sits through USD \$1,585 - \$1,580, while there is a resistance pivot through USD \$1,605 - \$1,610. The recent recovery in equities should remove some of the down-side pressure on bullion over the near-term, while continued talk of interest rate cuts is likely to buoy price action. Silver saw much the same pricing around the psychological USD \$17 figure, failing to break above in early Chinese flows and trailing lower across the afternoon. The Reserve Bank of Australia today cut benchmark interest rates by 25bps to 0.50%. Data today includes Eurozone CPI, Eurozone employment data, German retail sales and U.S. mortgage applications.

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