



MKS PAMP
GROUP

Daily Asia Wrap - 4th February 2020



Range Asian Hours
(from Globex open)

	GOLD	SILVER	PLATINUM	PALLADIUM
OPEN	1578.00/40	17.64/67	967/69	2320/30
HIGH	1579.30/70	17.73/76	973/75	2341/51
LOW	1571.90/30	17.63/66	965/67	2314/24
LAST	1571.90/30	17.69/72	972/74	2333/43

MARKETS/MACRO

US equities rebounded after last week's heavy losses. The Dow added 143.78 points, or 0.51%, to 28,399.81, the S&P 500 rose 23.40 points, or 0.73%, to 3,248.92, while the Nasdaq gained 122.47 points, or 1.34%, to 9,273.40. There were wins for materials (+2.13%) and tech (+1.32%) while energy (-1.34%) led the laggards. European equities were lower, the EuroSTOXX put on 1.01 points, or 0.25%, to 411.72, the German DAX advanced 63.22 points, or 0.49%, to 13,045.19, and the London FTSE 100 added 40.30 points, or 0.55%, to 7,326.31. In the currencies, the US dollar index firmed 0.39% to 97.81, the EUR was at 1.1057, while USD/JPY was up at 108.79. US treasury yields were higher, the 2 year yield firmed 3.2 bps to 1.357% while the 10 year yield rose 0.2 bps to 1.524%. Oil prices were sharply lower on Chinese demand concerns, Brent shed 3.3% to \$54.37 while WTI sold off 2.8% to \$50.04. Base metals were broadly lower, with zinc (-2.5%) leading the losses. In US economic data, the ISM manufacturing index exceeding expectations by rising to 50.9 in January, the first print above 50 in six months. The Markit manufacturing PPMU eased to 51.9 in January from 52.4 in December. Construction spending fell 0.2% in December. In Asia today, as I write the Nikkei is at +0.43%, the Shanghai composite is at +0.55%, the Hang Seng is at +0.78%, and the ASX S&P 200 is at +0.37%. Tonight we have factory orders out of the US and PPI out of the Eurozone.

PRECIOUS

Softer session for the precious as global markets rebound after last weeks heavy losses. Gold popped up to the session high \$1591 just after the open in Asia before coming under heavy pressure as China returned from holidays, the metal was sold to \$1574 just ahead of the London open. There was some support for bullion during the AM session in London which saw the market trade back up to \$1580. Gold dipped to the session low of \$1570 as US manufacturing data exceeded expectations, though the recent support we have seen around the \$1570 level held well. The yellow metal finished the day at \$1576. Silver wiped over 40c off the open to a low of \$17.58, the grey metal ended the session well in the red at \$17.66. PGMs saw good buying action during US trading hours to finish close higher. The Philadelphia gold and silver index eased 0.94% to 102.96. SPDR Gold Trust holdings were down 0.03% to 903.21 metric tonnes. Gold is looking softer in Asia today as equities recover, the yellow metal opened at \$1578.00 and is down at the low of \$1571.90 as I write. Silver edging higher, the grey metal is currently sitting at \$17.69. Have a good day ahead.

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