



MKS PAMP
GROUP

Daily Asia Wrap - 4th June 2020



Range Asian Hours
(from Globex open)

	GOLD	SILVER	PLATINUM	PALLADIUM
OPEN	1699.70/0.70	17.65/68	823/43	1956/96
HIGH	1705.00/6.00	17.65/68	826/46	1977/17
LOW	1697.20/8.20	17.46/49	819/39	1916/56
LAST	1699.40/0.40	17.47/50	822/42	1920/60

MARKETS/MACRO

Stocks in the U.S. continued to post gains on Wednesday, with participants putting to one side the on-going unrest in the U.S. and instead turning focus to the economic recovery. The DJIA ended the session +2.04% higher at 26,269.89 points, the S&P 500 gained +1.36% to 3,112.87 points, while the Nasdaq Composite rose +0.77% to 9,682.91 points and sits just 1.4% away from the all-time closing high printed in February. Stocks were buoyed by the latest private payrolls print from ADP, showing employers shed 2.76 million jobs within May relative to expectations centered around 8.7 million, a stark difference to 20.2 million print in April. Job losses were led by large size companies (500+ employees), losing 1.6 million payrolls, while the services sector shed 1.97 million jobs and the manufacturing sector saw 719k job losses. Meanwhile ISM reported its reading of the U.S. services sector outpaced expectations at 45.4 (exp: 44.7), however still remains in contraction. Oil futures finished at a three-month high on Wednesday as a weekly fall in U.S. crude stockpiles helped to underpin prices. WTI added +1.3% to USD \$37.29 per barrel, while Brent crude tacked on +0.6% to USD \$39.79 per barrel. The greenback pared some of the recent declines on Wednesday, pushing toward 109.00 relative to the Japanese Yen, while the Euro held above 1.12. Treasury yields pushed higher to see the 10-year firm 8.2bps to 0.761%.

PRECIOUS

A consolidative session across the precious complex during Asian trade today, with gold oscillating either side of USD \$1,700, while silver held support toward USD \$17.50. The heavy overnight price action took gold back toward the USD \$1,690 support level, however the level remained intact today as the yellow metal moved back through USD \$1,700, although failing to make significant headway above the figure. Price action was generally limited to early Chinese hours as the far East took advantage of the softer London prices. While ETF inflows continue to underpin price action around USD \$1,690 - \$1,750, the metal remains susceptible to a re-test toward USD \$1,640 - \$1,650 over the near-term as economic data releases out of both Europe and the U.S. surprise to the top-side. Silver remains supportive on the back of the declining XAU/XAG ration, however could also see near-term declines extend through to USD \$17.00 - \$16.80. All eyes tonight on U.S. initial jobless claims leading into Friday's NFP figure.

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