



MKS PAMP
GROUP

Daily Asia Wrap - 4th September 2020



Range Asian Hours
(from Globex open)

	GOLD	SILVER	PLATINUM	PALLADIUM
OPEN	1930.50/00	26.69/72	892/97	2305/35
HIGH	1941.75/25	26.97/00	896/01	2320/50
LOW	1925.00/50	26.39/42	890/95	2303/33
LAST	1934.20/70	26.58/61	894/99	2305/35

MARKETS/MACRO

A tech sector rout dragged US equities markets lower. The Dow lost 807.77 points, or 2.78%, to 28,292.73, the S&P 500 fell 125.78 points, or 3.51%, to 3,455.06, while the Nasdaq dropped 598.34 points, or 4.96%, to 11,458.10. Sharp sell off in the tech sector (-5.83%) led markets lower, while consumer discretionary (-3.56%) and communications (-3.34%) also saw heavy losses. European equities were lower, the EuroSTOXX shed 5.20 points, or 1.40%, to 366.08, the German DAX gave up 185.66 points, or 1.40%, to 13,057.77, and the London FTSE 100 declined 90.09 points, or 1.52%, to 5,850.86. In the currencies, the US dollar index was slightly higher at 92.78, the EUR was at 1.1850, with USD/JPY at 106.15. US treasury yields were lower, the 2 year yield eased 1.0 bps to 0.125% while the 10 year yield slipped 2.0 bps to 0.635%. Oil prices were lower, Brent fell 0.7% to \$44.00 while WTI sold off 0.3% to \$41.31. Base metals were broadly lower, with nickel (-3.9%) leading the losses. In US economic data, initial jobless claims fell by 130,000 to a seasonally adjusted 881,000 in the week ending August 29, while continuing claims fell to a seasonally adjusted 13.25 million in the week ending August 22. The trade deficit increased 18.9% to \$63.6 billion in July, imports rose 10.9% while exports advanced 8.1%. The ISM non-manufacturing index fell to 56.8 in July. In Asia today, as I write the Nikkei is at -1.17%, the Shanghai composite is at -1.34%, the Hang Seng is at -1.61, and the ASX S&P 200 is at -3.08%. Tonight we have non-farm payrolls, unemployment rate, and average

hourly earnings out of the US; along with construction PMI out of the eurozone.

PRECIOUS

The precious came under pressure during a choppy session despite the strong risk off tone in other markets. Gold reached \$1950 in Asia which triggered a wave of profit taking, sending the metal down to \$1930 ahead of the London open. The metal bounced around that \$1930 support during the London AM session. A rally in early NY hours had the market back to \$1945 as equities were dumped, but this ran out of steam despite the sustained sell off in the stock market, with gold falling sharply to the session low \$1923. As we saw earlier in the session, buying interest remained below the \$1930 level, and the yellow metal had traded up to \$1931 by the close. Silver was testing \$27 through Asian hours before dropping to a low of \$26.51 in NY. The grey metal struggled to get off the mat and finished near the lows at \$26.59. In the PGMs, platinum lost the \$900 handle while palladium bucked the trend and tested toward \$2400. The Philadelphia gold and silver index fell 0.96% to 150.93. In Asia today, gold was testing the \$1930 support early on, trading to a low of \$1925. The metal rallied to \$1941 before pulling back to trade at \$1934 as I write. Silver tested toward \$27 after an early dip but has come under pressure in the afternoon, the grey metal currently sitting at \$26.58. Have a good day ahead.

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