



MKS PAMP
GROUP

Daily Asia Wrap - 5th October 2020



Range Asian Hours
(from Globex open)

	GOLD	SILVER	PLATINUM	PALLADIUM
OPEN	1901.90/40	23.81/84	878/81	2288/38
HIGH	1904.00/50	24.02/05	886/89	2295/45
LOW	1891.70/20	23.69/72	876/79	2280/30
LAST	1892.90/40	23.79/82	877/80	2283/33

MARKETS/MACRO

US President Donald Trump was diagnosed with COVID-19 on Friday The Dow lost 134.09 points, or 0.48%, to 27,682.81, the S&P 500 fell 32.36 points, or 0.96%, to 3,348.44, while the Nasdaq shed 251.49 points, or 2.22%, to 11,057.02. There were wins for REITs (+1.58%) while tech (-2.55%) and communications (-1.99%) led the laggards. European equities were mixed, the EuroSTOXX added 0.89 points, or 0.25%, to 362.69, the German DAX fell 41.73 points, or 0.33%, to 12,689.04, and the London FTSE 100 rose 22.67 points, or 0.39%, to 5,902.12. In the currencies, the US dollar gave up early gains after the Trump news broke, the US dollar index ended up around 93.84 but was over 94 at one point. The EUR was at 1.1717 with USD/JPY at 105.41. US treasury yields were higher, the 2 year yield put on 0.6 bps to 0.129% while the 10 year yield firmed 4.3 bps to 0.701%. Oil prices were lower, Brent eased 0.5% to \$39.27 while WTI slipped 0.6% to \$37.05. Base metals were broadly higher, with copper (+2.6%) leading the gains. In US economic data, non-farm payrolls rose 661,000 in September, which was well below the 850,000 forecast by economists, while the unemployment rate fell 50 7.9%. The University of Michigan consumer sentiment index rose to 80.4 in September. Durable goods orders rose 0.5% in August, while capital goods orders increased by 1.9%. In Asia today, as I write the Nikkei is at +1.29%, the Shanghai composite is closed, the Hang Seng is at +1.52%, and the ASX S&P 200 is at +2.34%. Tonight we have Markit services PMI and ISM services

index out of the US; along with Markit services PMI and retail sales out of the US.

PRECIOUS

Mixed session for the precious as investors consider the impact Trumps diagnosis will have on global markets. Gold was soft in early Asian trading and slipped to the session low of \$1890. Reports of Trump's COVID diagnosis came through in the Asian afternoon hours and the metal surged first to \$9104, then up to the high of \$1916. The market took a breather during the London AM session and remained mostly within the \$1905-10 range as investors continued to digest the news out of the US. Despite lacklustre data out of the US and falling equities, the yellow metal was down testing the \$1900 level during NY trading. Gold closed out the session just under that key level at \$1899. Silver was offered in Asia and dipped just below \$23.50 at the low, before rocketing higher to reach \$24.14 in London. NY trading was choppy, the grey metal traded as high as \$24.20 before being sold into the close at \$23.73. Platinum was offered through most of the session and closed right on the low, while Palladium saw good support ahead of 2300. The Philadelphia gold and silver index eased 1.18% to 142.84. Risk on sentiment in Asia today with China still out for holidays, gold is slipping lower as equities firm up. The yellow metal opened up above the key \$1900 level but is currently trading just above the low at \$1892.90. Silver tested toward \$24 earlier and is sitting flat at \$23.79 as I write. Have a good day ahead.

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