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GROUP

Europe/US Market Update - 6th March 2020



**Europe/US Markets
(from Globex open)**

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MACRO

- U.S. equities sunk again on Thursday on growing coronavirus fears
- The DJIA tanked -3.58% to 26,121.28 points, the S&P 500 fell 3.39% to 3,023.94 points and the Nasdaq Composite cratered -3.10% to 8,738.594 points
- Travel and leisure companies continue to be hit, with United Airlines and American airlines collapsing over -13% each.
- The VIX gauge surged 23.85% to 39.62
- The greenback traded offered to decline -0.8% as participants flocked into the safe-haven Japanese Yen (USD/JPY -1.31%)
- the two-year slipped 8bps to 0.613% and the 10-year fell 13bps to move underneath 1%.
- European stocks finished lower to see the Stoxx Europe 600 fall -1.43% to 380.76 points, while the German Dax sunk -1.51% to 11,944.72 points and in London the FTSE 100 declined -1.62% to 6,705.43 points as the BOE announced a draft action plan to combat the economic impacts of the coronavirus.
- U.S. initial jobless claims eased 3k to 216k during the week ended February 29.
- Factory orders in the U.S. declined -0.5% (exp: -0.1%) during January.
- Durable goods orders in the U.S. fell -0.2% during January, while capital goods orders (non-defence ex-air) firmed +1.1%.

PRECIOUS

- An outside session for gold on the back of heightened coronavirus fears.
- The yellow metal saw price action underpinned by heavy losses to global equities and continued falls to bond yields.

- Gold breached USD \$1,640 during Asian hours and never looked back, triggering modest stop loss run through USD \$1,650 in Europe and continuing toward USD \$1,670 through New York hours.
- The metal closed toward the session high to book a +2.2% gain and within reach of the recent USD \$1,689 high.
- Silver lagged, however managed to add +1.38%, seeing offers around USD \$17.40 cap further gains.
- The grey metal will target a move through USD \$17.50 to test back toward the psychological USD \$18 level.
- Platinum and palladium both lost ground on the back of global growth fears, however the latter bounced in New York.

PRE-ASIA COMMENTS

- Asian markets firmer in early trade as UST yields fall further - 10-year to 0.85%
- Ahead today:
- U.S. nonfarm payrolls
- U.S. unemployment rate
- U.S. wholesale inventories

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