



MKS PAMP
GROUP

Daily Asia Wrap - 7th August 2020



Range Asian Hours
(from Globex open)

	GOLD	SILVER	PLATINUM	PALLADIUM
OPEN	2063.10/4.10	28.93/98	995/05	2219/39
HIGH	2074.70/5.70	29.82/87	998/08	2233/53
LOW	2047.90/8.90	27.87/92	955/65	2180/00
LAST	2056.50/7.50	28.28/32	963/73	2193/13

MARKETS/MACRO

US equities finished higher after a late rally, the Dow added 185.46, or 0.68%, to 27,386.98, the S&P 500 rose 21.39 points, or 0.64%, to 3,349.16, while the Nasdaq gained 109.67 points, or 1.00%, to 11,108.07. There were wins for communications (+2.45%) and tech (+1.46%), while energy (-0.71%) led the laggards. European equities were little changed, the EuroSTOXX lost 2.67 points, or 0.73%, to 362.49, the German DAX fell 68.57 points, or 0.54%, to 12,591.68, and the London FTSE 100 shed 77.78 points, or 1.27%, to 6,026.94. In the currencies, the US dollar index was flat at 92.77, the EUR was at 1.1878, with USD/JPY trading at 105.51. US treasury yields were mixed, the 2 year yield slipped 0.2 bps to 0.115% while the 10 year yield was flat 0.536%. Oil prices were lower, Brent eased 0.8% to \$45.15 while WTI lost 0.9% to \$42.02. Base metals were mostly higher, with aluminium (+0.6%) leading the gains. In US economic data, initial jobless claims fell 250k to 1.19 million in the seven days ending August 1, while continuing claims fell to 16.1 million the week prior. In Asia today, as I write the Nikkei is at -0.67%, the Shanghai composite is at -2.12%, the Hang Seng is at -2.16%, and the ASX S&P 200 is at -0.80%. Tonight we have non-farm payrolls, unemployment rate, average hourly earnings, wholesale inventories, and consumer credit out of the US.

PRECIOUS

The precious complex continues to extend gains as geopolitical tensions continue and the prospect of a fresh US stimulus package fuel demand. Gold was fairly subdued through Asian hours, trading around \$2040 for the most part. The metal was firmer during the London AM session, trading over \$2050 as equities were sold off. NY were early buyers, squeezing the market to a fresh high at \$2069. A round of profit taking pushed gold back down toward \$2050, but the yellow metal traded back to \$2060 for the close. Physical inflows into gold ETFs continue, holdings have increased over 30% since hitting a record in October. Silver continues to astound, the grey metal rising over \$2 on the day. Platinum was the pick of the PGMs, testing towards \$1000 and closing up near the highs. The Philadelphia gold and silver index eased 0.96% to 159.60. Turbulent trading already in Asia today, gold jumped to a new high of \$2074 after the open and drifted lower from there as the day has progress. The yellow metal is at \$2056 as I write. Silver volatility shows no signs of abating, the metal surged almost \$1 to test toward the \$30 level, and was then dumped almost \$2 to a low of \$27.92. The grey metal is currently trading at \$28.28. Have a good day ahead.

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