



MKS PAMP
GROUP

Daily Asia Wrap - 7th October 2020



Range Asian Hours
(from Globex open)

	GOLD	SILVER	PLATINUM	PALLADIUM
OPEN	1877.30/80	23.04/07	857/62	2350/75
HIGH	1884.60/10	23.53/56	865/70	2360/85
LOW	1873.20/70	23.02/05	851/56	2345/70
LAST	1882.30/80	23.49/52	860/65	2350/75

MARKETS/MACRO

Stocks in the U.S. finished lower on Tuesday as comments from President Trump drove sharp late session falls. Trump tweeted that he would stop negotiations with Democrats on another fiscal stimulus bill, rather waiting until after the November election. The news saw the Dow Jones Industrial Average finish the session -1.34% lower to 27,772.76 points, the S&P 500 declined -1.40% to 3,360.95 points, while the Nasdaq Composite fell -1.57% to 11,154.605 points. The greenback ripped higher on the stimulus headlines (DXY +0.44%), notably firmer against the Euro (EUR/USD -0.42%) after the pair tested above 1.18 intra-session. Treasury yields diverged as the two-year finished unchanged at 0.147%, while the 10-year sunk 5bp late to end toward 0.733%. On the data front, the U.S. trade deficit climbed nearly 6% during August to USD \$67.1 billion, the third highest level on record. Imports increased +3.2% to USD \$239 billion, while exports added +2.2% to USD \$171.9 billion. The latest JOLTS report out of the U.S. showed job openings fell during August, sliding to 6.49 million from 6.7 million previously, while the number of separations declined to 4.59 million from 4.99 million in July. Markets across Europe

held narrow ranges on Tuesday as participants nervously watched increasing coronavirus cases. The Europe Stoxx 600 finished the session +0.07% higher to 365.88 points, the German Dax gained +0.61% to 12,906.02 points, while in London the FTSE 100 firmed +0.12% to 5,949.94 points.

PRECIOUS

The volatile overnight price action in New York on Tuesday gave way to a narrow, range-bound session in Asia today, no doubt impacted by China still being on leave. Comex saw just over 23k lots of December gold through the exchange heading into European hours, while price action was generally limited to a brief test underneath USD \$1,875 that saw good resting interest to restrict any further declines. Afternoon pricing pushed back above USD \$1,880 on headlines that President Trump was willing to sign a bill authorizing just stimulus checks, however the metal failed to make headway higher toward the previous support at USD \$1,890. Gold has been correlated closely with stocks in recent session so it's no surprise the metal came under pressure following Trump's stimulus comments, while the potential for further near-term declines having the potential to weigh upon bullion. A close watch on ETF flows as redemptions gather pace on the back of Tuesday's declines, with USD \$1,850 (previous low) and USD \$1,860 (100 DMA) the key downside support levels to watch across spot. Silver dipped briefly underneath USD \$23 on Tuesday and bounce off the 38.2% Fib retracement (March low – July high) at USD \$22.90, however spent today's Asian session consolidating above the figure and testing USD \$23.50. Data today includes German industrial production, U.S. MBA mortgage applications and the FOMC meeting minutes from the September meeting.

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