



MKS PAMP
GROUP

Daily Asia Wrap - 7th September 2020



Range Asian Hours
(from Globex open)

	GOLD	SILVER	PLATINUM	PALLADIUM
OPEN	1931.50/00	26.87/90	902/07	2300/25
HIGH	1941.25/75	27.17/20	906/11	2315/40
LOW	1931.50/00	26.62/65	899/04	2294/19
LAST	1934.30/80	27.04/07	902/07	2305/30

MARKETS/MACRO

Stocks in the U.S. booked further declines on Friday as tech names saw profit taking, however major bourses managed to finish off the session lows in choppy trade. The DJIA ended -0.56% lower to 28,133.31 points, the S&P 500 fell -0.81% to 3,426.96 points and the Nasdaq Composite slumped -1.27% to 11,313.13 points, marking a -3.3% fall on the week and the largest since March. Leading declines across the broader market were communications stocks (-1.9%), discretionary stocks (-1.4%) and technology stocks (-1.3%). On the data front, U.S. nonfarm payrolls increased by 1.371m during August (exp: 1.350m) from a 1.734m increase the month prior, however the figure benefited from the hiring of census workers. Surprising many, the unemployment rate declined sharply to 8.4% (exp: 9.8%) from 10.2% previously. Average hourly earnings meanwhile ticked +0.4% MoM higher to hold unchanged at 4.7% YoY. The Underemployment rate, which measure those workers that can only find part-time work or those who have become too discouraged to search for jobs eased to 14.2% from 16.5% previously, while labor force participation rate Improved to 61.7% from 61.4%. The greenback pared gains

following an initial rally post the jobs print, ending the session relatively unmoved (DXY +0.05%) after the index pushed briefly above 93. The Euro finished the session toward 1.184, easing -0.12% and touching an intrasession low of 1.1781, while the safe-haven Japanese Yen eased -0.07% as USD/JPY consolidated above 106.00. Treasury yields in the U.S. popped on the jobs data as the curve steepened. The two-year gained 1.8bps to 0.1448%, while the 10-year surged 9bps to 0.723%. Stocks across Europe traded heavily on Friday to see the Stoxx Europe 600 end -1.13% lower to 361.93 points, the German Dax fell -1.13% to 12,842.66 points, while in London the FTSE 100 declined -0.88% to 5,799.08 points.

PRECIOUS

A relatively sedate session across the precious complex during Asian trade today, with currency majors keeping price action within a narrow range as the U.S. takes leave for Labor Day celebrations. Gold saw modest interest on the open to pivot back above USD \$1,935 in light volumes, however saw offers drag the metal toward USD \$1,932 heading into the Shanghai open. China's on-shore discount opened toward USD -\$50, a modest improvement on Friday's levels to see supportive demand extend to spot and take bullion to a USD \$1,941.25 session high. Afternoon pricing saw the dollar edge higher to weigh upon the yellow metal, settling back USD \$1,935 into the European open. Gold still remains within a consolidative pattern, while holding the uptrend that extends back through to March this year. Initial support for the metal holds around the previous all-time high of USD \$1,921 prior to the recent move higher, while hard support sits at USD \$1,900. Both equities and the dollar are likely to continue to dictate price action over the near-term, with focus particularly on the Euro as the common currency attempts to hold a bullish trend. Silver saw a whippy session to trade a USD \$0.50 range, oscillating either side of USD \$27, while the white metals did little to trouble the scorers. On the data front today we saw Chinese exports outpace expectations to increase +9.5% YoY during August (exp: +7.5%) from +7.2% previously, however imports tumbled -2.1% YoY for August, down from -1.4% previously. Data prints are light today on account of the U.S. holiday, with German industrial production the main print of note.

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