

Daily Asia Wrap - 8th December 2020

Range Asian Hours
(from Globex open)

| | GOLD | SILVER | PLATINUM | PALLADIUM |
|-------------|------------|----------|----------|-----------|
| OPEN | 1861.80/30 | 24.46/49 | 1025/30 | 2344/59 |
| HIGH | 1871.70/20 | 24.72/75 | 1033/38 | 2351/66 |
| LOW | 1861.10/60 | 24.46/49 | 1019/24 | 2328/43 |
| LAST | 1867.40/90 | 24.62/65 | 1021/26 | 2333/48 |

MARKETS/MACRO

Stocks in the U.S. finished broadly lower on Monday following recent records, with market participants considering vaccine headlines while awaiting news of a fresh U.S. stimulus bill. The Dow Jones Industrial Average ended trade +0.49% at 30,069.79 points, the S&P 500 declined -0.19% to 3,691.96 points, while the Nasdaq Composite outperformed to add +0.45% to 12,519.945 points, a fresh record close for the bourse. The greenback finished higher on Monday as the DXY index moved briefly above 91.00, however majors clawed back ground late in trade to see the DXY end with a modest +0.2% return. The Brexit stalemate weighed upon the Euro to see the common currency ease -0.1%, while the safe-haven Japanese Yen added +0.1% as USD/JPY tested below 104.00. Treasury yields skewed lower on Monday on the mild risk-off tone, seeing the two-year decline 1bp to 0.141%, while the 10-year sunk 4.3bps to 0.9245%. Stocks across Europe finished in the red as Brexit negotiations continue to drag on. The pan-European Stoxx 600 declined -0.30% to 392.84 points, the German Dax eased -0.21% to 13,271.00 points, while in London the FTSE 100 bucked the trend to add +0.08% to 6,555.39 points as the Pound fell -0.35%.

PRECIOUS

A generally positive session across the precious complex during Asian trade today, with both gold and silver attempting to consolidate Monday's gains through key technical pivots. Price action was broadly supportive throughout the session, with both gold and silver finding interest above USD \$1,860 and \$24.50 respectively in early session flows. Demand out of China remained muted with a discount toward USD -\$20, while the dollar turned modestly softer in the afternoon to support price action. Expected USD \$1,850 to be the key pivot for near-term direction for gold, while focus remains on ETF flows as further redemptions were recorded on Monday, albeit at a slower pace than in recent weeks (look for flows back into Comex). Vols have ticked up on the back of the firmer pricing, while riskies have moved back into positive territory. Silver saw good demand above USD \$24.50 today following Monday's recovery from a test of USD \$23.50, while platinum sees profit taking but continues to hold above USD \$1,000. Data releases today include German ZEW survey results, Eurozone GDP and U.S. NFIB small business optimism.

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10/12/2020

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