

Daily Asia Wrap - 8th March 2021

Range Asian Hours
(from Globex open)

	GOLD	SILVER	PLATINUM	PALLADIUM
OPEN	1703.70/20	25.36/39	1132/36	2342/52
HIGH	1714.15/65	25.89/92	1153/57	2358/68
LOW	1703.70/20	25.33/36	1132/36	2342/52
LAST	1707.90/40	25.67/70	1143/47	2352/62

MARKETS/MACRO

Stronger than expected U.S. payrolls data drove stocks in the U.S. higher on Friday ahead of the Senate vote on President Biden's USD \$1.9 trillion 'American Rescue Plan Act'. The Dow Jones Industrial Average ended the session +1.85% higher at 31,496.3 points, the S&P 500 added +1.95% to 3,841.94 points and the tech-laden Nasdaq Composite gained +1.55% to 12,920.15 points. The greenback finished the session higher (DXY +0.45%) against majors, as the Euro (-0.50%) tested underneath 1.1900 and the Japanese Yen (-0.39%) traded under pressure to see USD/JPY above 108.00. Treasury yields spiked on the back of the U.S. payrolls data to see the 10-year touch a 1.6238% high before tempering late in trade. The 10-year ended the session flat at 1.567%, the two-year eased 0.8bps to 0.138% and the 30-year declined 1.9bps to 2.303%. On the data front, all eyes were on the U.S. nonfarm payrolls print. The February jobs data surged past expectations, increasing 379k (exp: 200k) to follow an upwardly revised 166k (prev: 49k), while private payrolls jumped 465k (exp: 200k). Meanwhile the U.S. unemployment rate ticked down to 6.2% from 6.3% previously and the participation rate held unchanged at 61.4%.

PRECIOUS

A mixed session across the precious complex to start the week in Asia as gold opened on a positive note, before giving back some gains during the afternoon. The weekend stimulus news out of the U.S. provided a dose of optimism across markets on Monday morning, seeing gold push as high as USD \$1,714 in thin early session flows, before gains tempered into the Shanghai open. China opened to a modestly firmer on-shore premium, edging to around USD \$8 relative to London spot to underpin a test back toward USD \$1,714. Afternoon flows saw a mild bid bias to the greenback and the U.S. 10-year yield pushed toward 1.60%, seeing gold back underneath USD \$1,710 to look for support around opening levels. Friday's close above USD \$1,700 bodes well for the metal over the near-term after finding interest post-nonfarm payrolls, with dollar and yield strength pausing for them moment. Supportive interest through USD \$1,700 - \$1,687 should restrict further declines, while USD \$1,715 - \$1,720 sits as the near-term top-side pivot. Silver opened firmer and looked to test USD \$26 before retracing gains over the afternoon, holding toward USD \$25.50 into European hours to book a modest gain on the Asian session. Data today includes German industrial production and U.S. wholesale inventories.

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