



MKS PAMP
GROUP

Daily Asia Wrap - 9th March 2020



Range Asian Hours
(from Globex open)

	GOLD	SILVER	PLATINUM	PALLADIUM
OPEN	1687.20/40	17.55/57	903/05	2570/00
HIGH	1703.00/20	17.60/62	914/16	2570/00
LOW	1657.90/10	16.59/61	876/78	2440/70
LAST	1670.30/50	16.71/73	884/86	2480/10

MARKETS/MACRO

Equities continued to fall, oil prices plunged, and the 10 year treasury yield reached another record low. The Dow fell 256.50 points, or 0.98%, to 25,864.78, the S&P 500 lost 51.57 points, or 1.71%, to 2,972.37, while the Nasdaq shed 162.98 points, 1.87%, to 8,572.62. Energy (-5.61%) and financials (-3.29%) led a broad sell-off across the sectors. European shares were sharply lower, the EuroSTOXX dropped 13.96 points, or 3.67%, to 366.80, the German DAX sold off 402.85 points, or 3.37%, to 11,541.87, while the UK FTSE gave up 242.88 points, or 3.62%, to 6,462.55. The US dollar index eased 0.74% to 95.95, the EUR traded up to 1.1341, while USD/JPY was down at 105.01. US treasury yields were mixed, the 2 year yield firmed 1.7 bps to 0.506% while the 10 year yield slumped 5.3 bps to a new low of 0.762%. Oil prices were hammered as OPEC talks broke down, Brent tumbled 8.4% to \$45.27 while WIT plunged 9.1% to \$41.28. Base metals came under broad pressure, with aluminium (-2.0%) leading the losses. In US economic data, non-farm payrolls came in at 273k in February, well ahead of the forecast. The unemployment rate fell to 3.5% in February, while average hourly earnings rose 0.3%.

Heavy losses in Asia today, as I write the Nikkei is at -5.67%, the Shanghai composite is at -2.41%, the Hang Seng is at -3.50%, and the ASX S&P 200 is at -6.26%. Oil prices have also collapsed, with Brent dropping 28% to \$32.09 and WTI shedding 31% to \$28.32. No significant data scheduled for release tonight.

PRECIOUS

A roller coaster ride during Asian trade today as the precious complex opened firmer on the weekend news that Russia would not agree to the OPEC production cuts. Brent crude traded more than -30% lower in early flows and dragged both U.S. equity futures and treasury yields markedly lower. Gold ripped on the open to test USD \$1,700 on the back of the risk-off tone, however failed to make significant headway above the figure. China pushed further into discount and failed to prop up the spot market, seeing gold trade heavily throughout the afternoon and extend through Friday's closing level. The yellow metal based toward USD \$1,660 and found some interest as European names filtered, dragging gold back toward USD \$1,670. The metal looks to be suffering from a further bout of margin calls across the equity space and may be susceptible to a test back towards Friday's supportive band through USD \$1,640 - \$1,650, while USD \$1,700 looms as the initial level of resistance.

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