



MKS PAMP
GROUP

Daily Asia Wrap - 21st July 2020



Range Asian Hours
(from Globex open)

	GOLD	SILVER	PLATINUM	PALLADIUM
OPEN	1816.90/7.90	19.88/91	849/52	2030/80
HIGH	1819.60/0.60	19.84/87	851/54	2042/92
LOW	1815.50/6.50	20.41/44	845/48	2025/75
LAST	1818.20/9.20	20.20/23	846/49	2028/78

MARKETS/MACRO

US equities were led higher by a strong performance by large-cap tech stocks, as the Lancet reported that early stage clinical trials are showing that a new COVID vaccine is producing a strong immune response and appears to be safe. The Dow edged higher 8.92 points, or 0.03%, to 26,680.87, the S&P 500 added 27.11 points, or 0.84%, to 3,145.32, while the Nasdaq jumped 263.93 points, or 2.51%, to 10,767.09. There were wins for consumer discretionary (+3.14%) and tech (+2.58%), while energy (-1.73%) led the laggards. European equities were mixed, the EuroSTOXX rose 2.80 points, or 0.75%, to 375.51, the German DAX gained 127.31 points, or 0.99%, to 13,046.92, and the London FTSE 100 lost 28.78 points, or 0.46%, to 6,261.52. In the currencies, the US dollar index eased 0.14% to 95.81, the EUR was as high as 1.1466, while USD/JPY was at 107.24. US treasury yields were mixed, the 2 year yield was unchanged at 0.145% while the 10 year yield eased 0.6 bps to 0.612%. Oil prices were higher, Brent rose 0.8% to \$43.22 while WTI put on 0.8% to \$40.70. Base metals were broadly higher, with zinc (+0.8%) leading the gains. In Asia today, as I write the Nikkei is at +0.69%, the Shanghai composite is at +0.07%, the Hang Seng is at +1.88%, and the ASX S&P 200 is at +1.79%. Tonight we have the Chicago Fed national activity index out of the US.

PRECIOUS

Sentiment in the precious complex remained buoyant as silver leads the sector higher. Gold drifted lower in early Asian trading with each way flows seen, and the support around \$1805 holding firm. The metal started a slow grind higher as London opened with ETF buying and the prospect of further global stimulus supporting the market. The market peaked at \$1820 during NY hours but producer selling capped any move higher. The yellow metal finished up ahead at \$1817. Silver was the standout, surging 3% off the open to a high of 19.90 and closing at that level. The gold/silver ratio broke to multi month lows around the 92 level. In the PGMs, platinum tested the \$850 pivot before closing at the highs, while palladium tested toward \$2000 before rebounding. The Philadelphia gold and silver index rose 2.98% to 144.34. Investors in Asia were happy to buy into the silver strength, the grey metal surged to a high of \$20.41, trading above \$20 for the first time since 2016. Silver has since come off the highs and is sitting at \$20.20 as I write. Gold has been subdued in comparison, unsuccessfully testing \$1820 and currently trading at \$1818. Have a good day ahead.

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