



MKS PAMP  
GROUP

## Daily Asia Wrap - 22nd July 2020



Range Asian Hours  
(from Globex open)

	GOLD	SILVER	PLATINUM	PALLADIUM
<b>OPEN</b>	1841.20/2.20	21.29/32	887/90	2120/70
<b>HIGH</b>	1865.10/6.10	22.81/84	897/00	2150/00
<b>LOW</b>	1841.00/2.00	21.28/31	878/81	2120/70
<b>LAST</b>	1856.10/7.10	22.34/37	878/81	2120/70

### MARKETS/MACRO

European leaders have agreed to create 750 billion euro recovery fund to rebuild EU economics impacted by the COVID crisis, along with a 1.1 trillion EU budget for 2021-27, resulting in a combined package of around 1.8 trillion euros. US equities were mixed after giving back early gains. The Dow added 159.53 points, or 0.60%, to 26,840.40, the S&P 500 rose 5.46 points, or 0.17%, to 3,257.30, while the Nasdaq lost 86.73 points, or 0.81%, to 10,680.36. There were wins for energy (+6.15%) and financials (+1.91%) while tech (-1.06%) led the losses. European equities were higher, the EuroSTOXX gained 1.19 points, or 0.32%, to 376.70, the German DAX put on 124.91 points, or 0.96%, to 13,171.83, and the London FTSE 100 advanced 8.21 points, or 0.13%, to 6,269.73. In the currencies, the greenback was broadly sold through NY hours as the EU stimulus news supported the EUR, the US dollar index fell 0.76% to a 4 month low of 95.05. The EUR rose to 1.1538 while USD/JPY traded down to 106.71. US treasury yields were lower, the 2 year yield slipped 0.4 bps to 0.141% while the 10 year yield eased 1.0 bps to 0.604%. Oil prices were higher, Brent firmed 1.5% to \$44.07 while WTI added 2.7% to \$41.96. Base metals were broadly higher, with zinc (+2.0%) leading the

gains. In US economic data, the Chicago Fed National Activity index June reading was revised up to 4.11. In Asia today, as I write the Nikkei is at -0.45%, the Shanghai composite is at +1.20%, the Hang Seng is at +0.079%, and the ASX S&P 200 is at -1.59%. Tonight we have existing home sales out of the US.

## **PRECIOUS**

The European stimulus package proved a boon for the precious complex, with gold printing a 9 year high and silver continuing its astonishing run higher. Gold opened at \$1816 in Asia and was fairly quiet before beginning a grind higher in the afternoon. The markets rise picked up pace during the London AM session which saw the metal test toward \$1830. As the dollar was sold off against the EUR in early NY hours the yellow metal jumped up to \$1840. There seemed to be some initial profit taking at this level, but after a brief retracement gold was back up to the session high \$1843 before closing just off the peak. Investors continued to pile into silver, the grey metal rose \$1.42, or over 7%, on the day to a close at \$21.32. Platinum moved through the \$850 pivot and traded toward \$900, while palladium closed near the session high of \$2,181. The Philadelphia gold and silver index rose 1.56% to 146.59. The action has continued in Asia today, silver catapulted a further 7% to a high of \$22.81 in early trading, while gold jumped over \$20 to \$1865. The metals have since retreated from those highs, gold is trading at \$1856.10 and silver at \$22.34 as I write. Have a good day ahead.

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