



MKS PAMP
GROUP

Daily Asia Wrap - 23rd July 2020



Range Asian Hours (from Globex open)

| | GOLD | SILVER | PLATINUM | PALLADIUM |
|------|--------------|----------|----------|-----------|
| OPEN | 1870.80/1.80 | 23.00/03 | 923/26 | 2129/79 |
| HIGH | 1876.00/7.00 | 23.23/26 | 930/33 | 2140/90 |
| LOW | 1863.50/4.50 | 22.38/41 | 908/11 | 2115/65 |
| LAST | 1870.00/1.00 | 22.67/70 | 918/21 | 2125/75 |

MARKETS/MACRO

Stocks in the U.S. finished higher on Wednesday on vaccine optimism, largely supported by Pfizer shares after securing USD \$2 billion in funding from the U.S. government to produce and deliver 100 million doses of their coronavirus vaccine candidate. The DJIA finished the session +0.61% higher to 27,005.84 points, the S&P 500 gained +0.57% to 3,276.02 points, while the Nasdaq Composite eased from earlier session gains, however, was able to finish +0.24% higher at 10,706.13 points. Tensions between the U.S. and China weighed upon treasury yields to see the 10-year slip 1.1bps to 0.595%, while the two-year finished at 0.145%. The greenback finished mixed against majors, clawing back above 107.00 relative to the Japanese Yen, while the Euro continued to strengthen to test a move above 1.16. On the data front, existing home sales in the U.S. surged +20.7% MoM during June to an annualised pace of 4.72 million, marking the largest monthly gain since records began in 1968. Compared with last year however, sales were down -11.3% during June. Sales were led by a 31.9% increase in the West, while the South saw a 26% rise, the Midwest gained 11.1% and the Northeast added +4.3%. Stocks in Europe gave back previous session gains on the back of coronavirus concerns. The Europe Stoxx 600 declined -0.87% as energy shares led laggards, the German Dax fell -0.51%, while in London the FTSE 100 shed -1.00%.

PRECIOUS

A range-bound session for gold during Asian trade today, while silver continued its recent strength to trade above USD \$23. The yellow metal spent the majority of the session oscillating either side of USD \$1,870, with broad-based support toward USD \$1,860 restricting any further declines. Chinese demand created little in the way of direction as the on-shore discount moved back out toward USD -\$40 after yesterday's move into USD -\$25. An extension above USD \$1,900 over the near-term is very much in play as ETF's continue to accumulate the metal, the Dollar weakens and the Fed's balance sheet expands. Silver extended to a USD \$23.23 session high today and is almost +15% higher over the past few sessions. Whipsaw price action saw support toward USD \$21.50 hold yesterday, while a move to USD \$22.40 in Asia today also found large bids. We may see a period of consolidation over the coming sessions considering the recent price action, while the aforementioned USD \$21.50 support will be in focus on any pullbacks. It is worth noting that Chinese interest, while having increased markedly earlier in the week, did little to drive price direction today following yesterday's limit up as SGE margins were increased. Platinum made light work of USD \$900 yesterday, however the pace of ETF accumulation has decreased, while palladium has failed at USD \$2,200.

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