



MKS PAMP
GROUP

Daily Asia Wrap - 27th October 2020



Range Asian Hours
(from Globex open)

	GOLD	SILVER	PLATINUM	PALLADIUM
OPEN	1901.80/30	24.25/28	875/78	2365/85
HIGH	1910.20/70	24.57/60	882/85	2387/07
LOW	1901.50/00	24.24/27	874/77	2362/82
LAST	1908.30/80	24.45/48	879/82	2369/89

MARKETS/MACRO

Stocks in the U.S. finished sharply lower on Monday as Covid19 cases across the country skyrocket, increasing investor uncertainty heading into next week's election. It was generally one-way traffic across the session to see the Dow Jones Industrial Average book a -2.29% fall to 27,685.38 points, the worst session for the bourse since early September. The S&P 500 ended trade -1.86% lower to 3,400.97 points, while the Nasdaq Composite declined -1.64% to 11,358.938 points. Weighing upon investor sentiment are record cases of Covid19 in the U.S., with 83,757 new cases recorded on Friday, more than 80,000 on Saturday, while the seven-day moving average sits at 68,767, now exceeding the 14-day moving average to further indicate rising cases. Meanwhile there are no signs of progress with regards to fresh stimulus as policy makers continued talks on Monday. It remains increasingly doubtful that an agreement can be reached prior to the November 3rd election, with the potential for an agreement during the 'lame duck' session before the new Congress is seated in January unclear. The greenback finished the session firmer (DXY +0.35%) after seeing early session

interest relative to the Japanese Yen to test above 105.00, while the Euro declined -0.4% on the back of disappointing regional data. Treasury yields finished mixed as the two-year held flat toward 0.152%, while the 10-year declined 4bps to 0.802%.

PRECIOUS

A firmer session across the precious complex in Asia today as the greenback pared previous session gains and U.S. yields remained under pressure. Early session interest saw gold consolidate above the psychological USD \$1,900 figure, while price action accelerated in Shanghai to see gold briefly extend through USD \$1,910. The on-shore discount in China remained toward USD -\$30, while USD/Yuan eased modestly following a firm session on Monday. A lack of stimulus progress continues to weigh upon equities, however the declines have yet to flow into the precious to the extent that gold breaks down through the USD \$1,890 - \$1,880 support level. Silver continues to hold support toward USD \$24 and posted a firmer session today to pivot above USD \$24.50, remaining buoyant above the uptrend from the March low. Expect near-term pricing to remain range-bound toward the November 3rd U.S. election, with all eyes on U.S. dollar flows and equity markets. Data today includes U.S. durable goods orders/capital orders, the U.S. FHFA house price index, S&P CoreLogic U.S. house prices, Conference Board U.S. consumer confidence and the Richmond Fed manufacturing index.

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