

Daily Asia Wrap - 12th April 2021

Range Asian Hours
(from Globex open)

	GOLD	SILVER	PLATINUM	PALLADIUM
OPEN	1743.30/80	25.25/28	1205/08	2639/49
HIGH	1744.30/80	25.27/30	1206/09	2643/53
LOW	1735.20/70	25.00/03	1192/95	2625/35
LAST	1739.90/40	25.16/19	1198/01	2631/41

MARKETS/MACRO

Stocks in the U.S. posted fresh records on Friday as the U.S. economy gathers momentum on the back of high vaccination levels. The Dow Jones Industrial Average finished +0.89% higher at 33,800.60 points, the S&P 500 added +0.77% to 4,128.80 points, while the tech-laden Nasdaq Composite posted a +0.51% gain to 13,900.19 points. The greenback booked modest gains on Friday to see the DXY index +0.14% higher, testing above the 200 DMA (92.35) in early New York before tempering gains into the close and finishing toward 92.20. The Euro (-0.12%) recovered from an intra-session test underneath 1.19, while the Japanese Yen declined -0.41% as USD/JPY pushed back toward 1.10. Treasury yields ticked higher on the back on positive data, seeing the two-year gain 1bp to 0.1568%, while the 10-year firmed 4.3bps to 1.6639%. On the data front, U.S. producer prices increased +1.0% during March (exp: +0.5%) to take the annualized figure in the 12-months through March to +4.2%, the largest year-on-year increase since September 2011. Meanwhile the closely watched core PPI printed a +0.6% increase during March. Stocks across Europe finished generally higher as the Stoxx Europe 600 added +0.08% to 437.23 points, the German Dax gained +0.21% to 15,234.16 points, while in London the FTSE 100 declined -0.38% to 6,915.75 points as miners tracked commodities lower.

PRECIOUS

The precious complex held a narrow range throughout Asian trade on Monday, as a firmer dollar restricted top-side moves following Powell's upbeat assessment of the U.S. recovery during an interview on "60 Minutes." The Federal Reserve Chair noted that the U.S. economy is at an "inflection point", with growth poised to accelerate on the back of widespread vaccinations and both strong fiscal and monetary policy support. The positive comments provided a bid to the greenback and saw the DXY index move back toward its 200 DMA, while U.S. yields opened the week firmer. An underlying Chinese bid kept the on-shore premium in Shanghai pinned around USD \$8 as both on-shore and off-shore Yuan pared early session weakness during the afternoon as U.S. yields followed suit. Near-term pricing is expected to be sensitive to dollar flows, with particular focus on the DXY 200 DMA following Powell's comments, potentially seeing the USD \$1,730 pivot in play. Silver continues to trade around the USD \$25 figure at the 200 DMA that has now moved higher toward USD \$25.11. The grey metal should benefit over the medium-term to higher growth prospects and is beginning to see ETF interest, albeit only modest thus far. This week sees U.S. earnings season kick off, while data today is light with the main focus being the U.S. monthly budget statement

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