



MKS PAMP
GROUP

Daily Asia Wrap - 13th August 2020



Range Asian Hours
(from Globex open)

	GOLD	SILVER	PLATINUM	PALLADIUM
OPEN	1915.20/6.20	25.48/53	926/36	2130/50
HIGH	1942.10/3.10	26.04/09	941/51	2171/91
LOW	1912.40/3.40	25.27/33	924/34	2123/43
LAST	1931.50/2.50	25.89/94	936/46	2159/79

MARKETS/MACRO

The US consumer price index rose 0.6% in July, following an identical rise in June. The headline figure exceeded the economists expectation of a 0.4% increase. Core CPI also rose 0.6% in July, which was the highest one month increase since 1991. US equities were boosted by the strong data, the Dow added 289.93, or 1.05%, to 27,976.84, the S&P 500 rose 46.66 points, or 1.40%, to 3,380.35, while the Nasdaq gained 229.42 points, or 2.13%, to 11,012.24. Wins for tech (+2.31%) and healthcare (+1.72%) led a near broad advance in the markets. In European economic data, UK GDP fell 20% in the second quarter, the largest of all the European economies. European equities were higher despite the contraction, the EuroSTOXX advanced 4.12 points, or 1.11%, to 374.88, the German DAX rose 111.74 points, or 0.86%, to 13,058.63, and the London FTSE 100 put on 125.78 points, or 2.04%, to 6,280.12. In the currencies, the US dollar index eased 0.22% to 93.42, the EUR traded up to 1.1801, while USD/JPY was up at 106.98. US treasury yields were higher again, the 2 year yield added 0.8 bps to 0.157% while the 10 year yield firmed 3.0 bps to 0.671%. Oil prices were higher, Brent rose 1.4% to \$45.33 while WTI gained 1.9% to \$42.56. Base metals were mixed, with copper (+0.7%) faring best. In Asia today, as I write the Nikkei is at +1.98%, the Shanghai composite is at 0%, the Hang Seng is at -0.12%, and the ASX S&P 200 is at -0.65%. Tonight we have initial jobless claims and the import price index out of the US; along with industrial production out of the eurozone.

PRECIOUS

Another wild ride for the precious on Wednesday, beginning with some particularly volatile trading in Asia. Gold traded to the high of \$1926 in early Asian hours before dumping over \$50 to \$1872. The metal rebounded and traded towards \$1900 before another bout of selling saw the market crash to the session low \$1862. China opened to a heavy discount of over \$100 which heaped pressure on the metal. An impressive rally in late Asian trading had gold above \$1940 early in the London AM session. Mild bid tone through early NY trading as the bullion made a grind higher to \$1948. With both equities and bond yields extending gains through the session, the yellow metal came under selling pressure again, sliding into a close at \$1920. Silver jumped to \$25.90 within the first half hour of Asian trading before dumping 10% to the low of \$23.33. The grey metal then surged almost \$3 to the session high during early London trading. PGMs were fairly subdued in comparison, despite also paring early gains. The Philadelphia gold and silver index rose 0.14% to 141.68. Asian trading has been reasonably stable today compared to yesterday's roller coaster ride, the metals are firmer as the US dollar is softer and Asian equities put up a mixed showing. Gold found enough buying interest to trade to \$942 early on, and is currently sitting at \$1931. Silver tested \$26 earlier and is sitting at \$25.89 as I write. Have a good day ahead.

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